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ABSTRACT

The impact of financial aid on the distribution of undergraduates among South Carolina's postsecondary institutions during the 1972-73 to 1977-78 academic years was studied. The major purpose of the study was to determine and to demonstrate how changes in educational costs, family ability to pay for those costs, and available financial aid resources affect the way South Carolina students distribute themselves among public and private colleges and technical education centers in the state. The study utilized three separate data bases. The first data base included the survey responses of a representative group of students who were freshmen in South Carolina institutions and similar institutions in other Southern states in 1972. These responses were compared to those of students in other institutions throughout the nation. The responses were also compared to responses of 1977 South Carolina freshmen. The second data base included responses of South Carolina freshmen and undergraduates to the Student Resource Survey. The third data base included: aggregate data gathered from materials completed by institutional representatives; annual reports from the files of state agencies; summary statistics from the College Entrance Examination Board and the College Scholarship Service; student responses to the annual American Council on Education's survey of freshmen; and data from other sources. The analyses of these data are available in four separate impact study technical reports. (SW)

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SUMMARY REPORT

IMPACT STUDY OF POST-SECONDARY FINANCIAL AID IN SOUTH CAROLINA

December 1978

Prepared by the Impact Study Steering Committee

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The study was financed by contributions from the Ford Foundation, New York City, and from the fifty participating colleges and universities.

Additional copies of the Summary and of the four Technical Reports are available from the South Carolina College Council, Box 6998, Greenville, South Carolina 29606. Telephone: (803) 233-6894.

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SUMMARY REPORT

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CHAPTER I

INTRODUCTION

Study Background and Purposes

This report represents the summary and conclusions of a year-long study of the impact of financial aid on the distribution of students among postsecondary institutions in South Carolina. The study was funded by the Ford Foundation through the South Carolina College Council, Inc., under the direction of a Steering Committee comprised of representatives of various postsecondary institutions, the South Carolina Commission on Higher Education, and the Council. Dr. Gordon W. Blackwell, president emeritus of Furman University, served as Chairman.

The major purpose of the study was to determine and demonstrate how changes in educational costs, family ability to pay for those costs, and available financial aid resources are related to changes in the way South Carolina students distribute themselves among postsecondary institutions in the state.

To accomplish this purpose, data were collected and analyzed to answer these questions:

(1) What are the average costs of education paid by students at the different types of South Carolina postsecondary institutions? How have these costs changed during the 1972-73 to 1977-78 study period?

(2) What kinds and amounts of family financial resources are available to various student groups to help defray educational costs? How have these resources changed?

(3) What kinds and amounts of financial aid resources are available to various student groups to support attendance at different institutions? How have these resources changed?

(4) What are the salient personal, academic, and socioeconomic characteristics of students at the various institutions? How have these characteristics changed during the study period?

(5) What are the apparent relationships between financial factors and other factors and the reasons students attend various institutional types? How have these relationships changed?

Data Collection and Analysis

The study utilized three separate data bases. The first data base included the survey responses of a representative group of students who were freshmen in South Carolina institutions and similar institutions in other Southern states in 1972. These survey responses were assembled from a subgroup of respondents to the National Longitudinal Study of the High School Class of 1972, a survey conducted by the Research Triangle Institute. RTI selected a sample of freshmen from its NLS data base and analyzed their responses to selected items. These responses were compared to those of students in other institutions throughout the nation.[1] The responses were also compared to responses of 1977 South Carolina freshmen to see how freshmen characteristics changed over the five-year study period.[2]

The second data base included the responses of a representative group of South Carolina freshmen and undergraduates to the Student Resource Survey (SRS). The SRS is a 67-item questionnaire which was developed by the College Entrance Examination Board to collect and analyze data on the personal, familial, academic, and financial characteristics of postsecondary students. The responses to this survey were analyzed and described in an

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[1] Technical Report Number Three

[2] Technical Report Number Four

Impact Study Technical Report.[3]

The third data base included: (1) aggregate data gathered from documents and reports completed by institutional representatives, such as the HEGIS Opening Fall Enrollments and HEGIS Financial Statistics of Postsecondary Institutions; (2) annual reports from the files of the South Carolina Commission on Higher Education, the South Carolina Tuition Grants Program, the South Carolina Student Loan Corporation, and the State Department of Education; (3) summary statistics from the College Entrance Examination Board and the College Scholarship Service; (4) student responses to the annual American Council on Education's survey of freshmen; and (5) relevant data from study and research reports published by various agencies. The data from these sources were analyzed to discover and describe various trends throughout the five-year study period.[4]

The analyses of these data are presented in four separate Impact Study Technical Reports which are available to readers of this document upon request from the South Carolina College Council. Copies of the reports have been widely circulated to educational policymakers in the state.

All of the data were used to answer the basic study questions. The major findings of each report are described in the following chapters.

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[3]Technical Report Number Three

[4]Technical Report Number One

CHAPTER II

TRENDS IN THE CHARACTERISTICS OF STUDENTS AT SOUTH CAROLINA POSTSECONDARY INSTITUTIONS

The first student characteristic considered in the study was quantitative--the numbers of full-time undergraduates enrolled in South Carolina institutions. The number of first-time, full-time freshmen increased by 13 percent over the study period. Full-time undergraduate enrollments increased by 24 percent. The increased enrollment of freshmen is primarily attributable to larger numbers of South Carolina high school seniors and others going to college. The increased enrollment of all undergraduates is attributed to increased retention rates as well as increased freshmen enrollments during the study period.

While enrollments increased, the proportion of South Carolina high school graduates who enrolled in postsecondary education remained constant. Furthermore, the relationship between annual increases in freshmen enrollments and all undergraduate enrollments indicates that total undergraduate enrollment is likely to become stable or possibly decline during the next few years.

The proportional distributions of students among South Carolina institutions remained stable during the study period. For example, in 1973, 40 percent of the freshmen were enrolled at public colleges and 20 percent were enrolled at private colleges. By 1977, 38.8 percent of the freshmen were enrolled at public colleges and 20.6 percent

were enrolled at private colleges. In both years approximately 40 percent of the freshmen were at Technical Education Centers (TEC). The distribution of all full-time undergraduates among the public and private colleges remained equally stable.

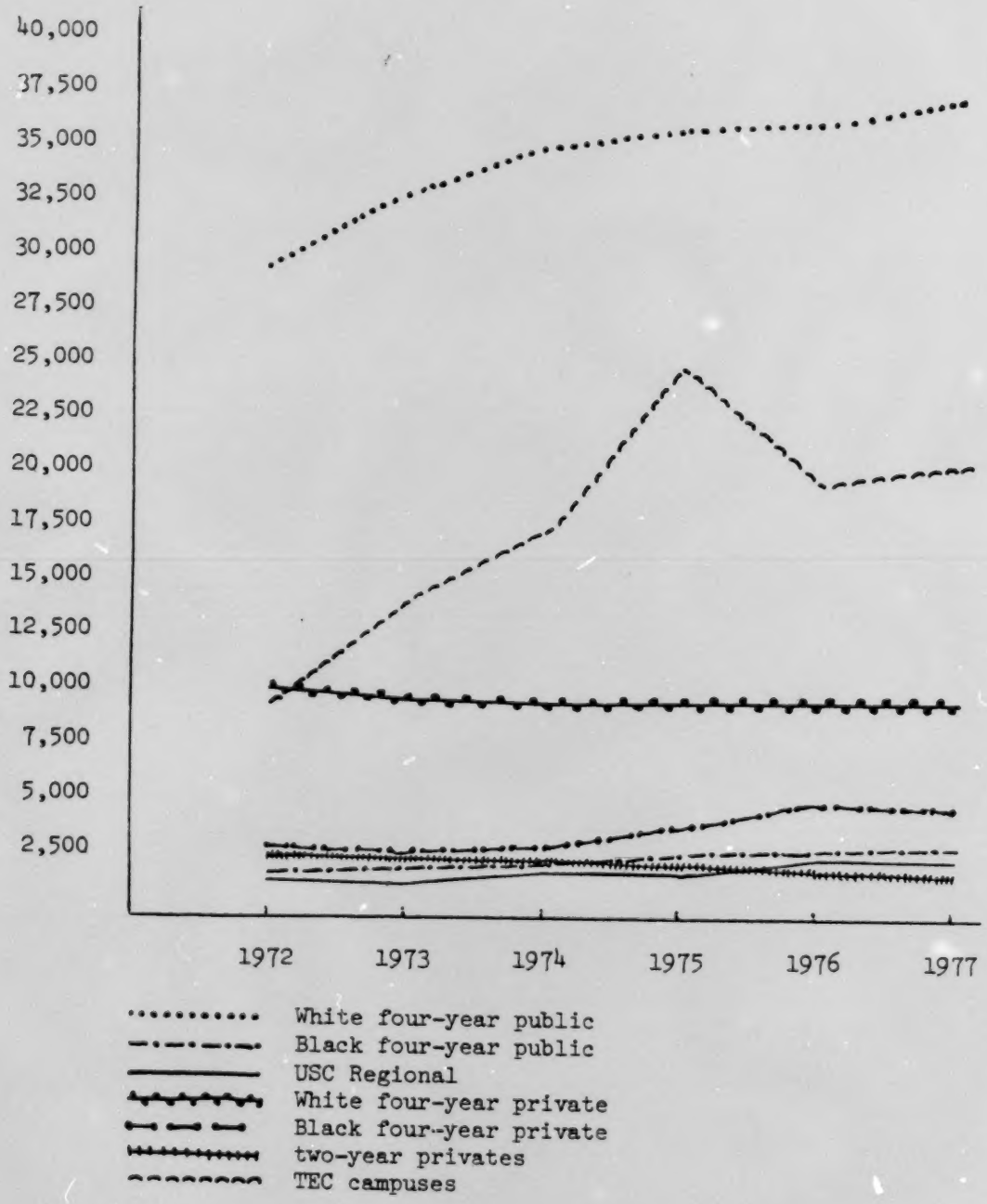
In spite of the rather stable distribution of students among public and private colleges, some types of institutions experienced greater enrollment growth than others. For example, enrollment at the predominantly Black public college and the University of South Carolina (USC) regional campuses increased by over 40 percent between 1973 and 1977. But enrollment at predominantly White four-year public colleges increased by only 14 percent. Enrollment at predominantly Black private colleges increased by almost 65 percent from 1973 to 1977, but enrollment at predominantly White private colleges increased by less than 3 percent. Enrollment at TEC campuses increased by approximately 53 percent. Figure II-1 shows enrollment changes during the study period.

As the numbers of South Carolina undergraduates increased and distributed themselves among various types of institutions, the characteristics of students at the different institutional types changes in several significant ways. The data indicate that significantly larger numbers and proportions of women and minority students entered colleges in 1977-78 than in 1972-73. Access to postsecondary education increased for Black students and for many women who might not have considered college in earlier years.

The mean high school grades of college-bound South Carolina high school seniors increased slightly over the study period, but their mean Scholastic Aptitude Test (SAT) scores decline slightly. Both trends followed those of high school seniors nationwide. While the ability

FIGURE II-1

Full-Time Undergraduate
Enrollments, by Institutional Types



of college-bound high school seniors remained rather stable, proportionately more students with lower high school grades enrolled in all of the post-secondary institutions.

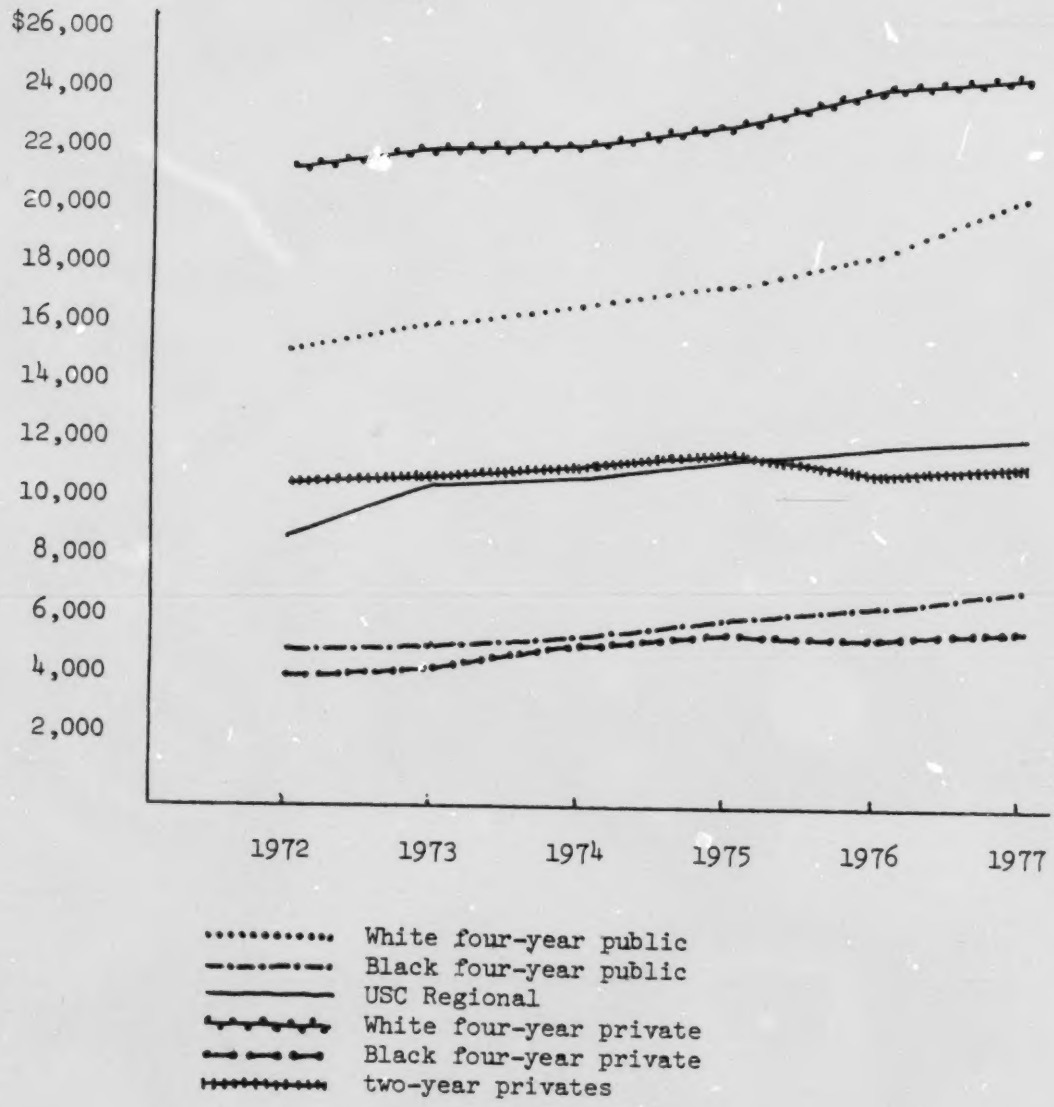
There is evidence that degree aspirations of college-bound seniors increased during the study period with proportionately more students planning on earning advanced degrees. However, other evidence indicates that degree aspirations of enrolled freshmen decreased slightly. This indicates that graduate student enrollments are unlikely to increase substantially during the next several years.

There was little change in the academic interests of students during the study period. There appears, however, to be a slight increase of student interest in business, engineering, and health science programs. And there appears to have been an increase in the number of different program interests between 1972 and 1977 with students preferring a wider variety of curricular offerings in the more recent years. It is not known whether the diverse interests are a response to new postsecondary curricular offerings or new offerings were made available because of different student interests. It seems apparent, regardless of the direction of the cause-effect relationship, that the institutions which offer a wide variety of programs are more likely to attract students than those offering the more traditional ones.

One of the most striking changes in student characteristics was in family incomes. The average family incomes of freshmen increased substantially during the study period. Figure II-2 shows the rate of increase in median freshmen incomes at the different types of institutions. (These data were not available for TEC students). As the graph lines indicate, the median income of freshmen at predominantly White four-year

FIGURE II-2

Median Family Incomes of College Freshmen by Institutional Types, 1972 to 1977



public colleges increased by the greatest amount, approximately $5,000. The median family income of students at the predominantly Black colleges increased by the greatest proportion, about 35 percent over the five-year period. This latter trend reflects the increase in the incomes of Black families during the study period.

These trend lines indicate that lower-income students tended to enroll at predominantly Black colleges, lower- and middle-income students enrolled at two-year colleges, and middle- and upper-income students enrolled at predominantly White four-year public colleges. These data and the Student Resource Survey data show that college enrollment is becoming more stratified by socioeconomic statuses and academic ability. In general, students at predominantly White four-year colleges were considerably more affluent than those attending other colleges. They came from families where the head of the household was employed in professional, managerial, or administrative positions, and they had fathers who had earned at least one college degree. Over three-fourths of these students had taken an academic course of study in high school and they received better grades in their programs than did students at other institutions.

Student characteristics at two-year institutions, private colleges, USC regional campuses, and TEC campuses were more heterogeneous than those at the four-year institutions. For example, half the two-year students reported 1977 family income of between $6,000 and $18,000, but half had lower or higher incomes. While nearly half these students had fathers who had not completed high school, 18 percent had fathers who had some college training. About one-fourth of these students said their fathers were employed as craftsman or technicians, but another

fourth had fathers who were laborers or operatives, and a fifth had fathers who were professionals, managers, or administrators.

Students at predominantly Black colleges were, throughout the study period, the least affluent and the most likely to come from families where the head of the house was employed in a lower-level occupation. In 1977, almost 73 percent of these students came from families with an income below $9,000 per year, and 60 percent of their fathers were employed as laborers, operatives, craftsmen, or technicians. Over 61 percent of their fathers had not finished high school, but 10 percent had completed some college training.

Because this study is primarily concerned with financial factors and their relationship to the distribution of students among different types of institutions, it is appropriate to direct a bit more attention to family income. While students at all types of institutions generally became more affluent, public colleges enrolled increasing percentages and numbers of the more affluent students than did private colleges. This was especially true for students with annual family incomes of $30,000 or more.

Predominantly White four-year colleges increased slightly their enrollment of students from families with incomes below $6,000 and significantly increased their enrollment of students with family incomes above $20,000. They did not increase the enrollment of students with median family incomes. The lower-middle and middle-income students enrolled at USC regional campuses, two-year private colleges, or TEC campuses.

These shifts are quite significant. The increased enrollment of lower-income students at four-year colleges is an indication that access to postsecondary education increased in the state during the

study period. But because proportionately fewer students in the middle-income ranges enrolled at less-than-four-year institutions later in the study period, it is possible that the financial ability of this group of students to attend four-year colleges declined. (Additional evidence to support this possibility will be described below.) Therefore, the ability of a major segment of the college-bound population to choose among educational alternatives may be decreasing. Finally, because greater proportions of the very affluent students enrolled at public rather than private colleges, private colleges will probably have to increase their financial aid resources for students in order to maintain a stable enrollment.

In spite of the general increases in family income at all types of institutions, major changes in the economic system primarily due to inflation have decreased family ability to pay for college costs. The data on family incomes of freshmen were used in conjunction with the need analysis methodology of the College Scholarship Service (CSS) to estimate the average expected family contribution over the study period. The average CSS-expected family contribution for freshmen at each type of institution is displayed in Table II-1. When the family incomes of students enrolled at each type of college are considered and weighted by the numbers of enrolled students, the average parental ability to pay for college costs decreased by about 41 percent between 1972 and 1977. Data for TEC students were not available for each year in the study.

The sharpest decrease in average expected parental contributions was in 1975. This is partially the effect of revisions in the CSS need analysis methodology which were made to recognize the dramatic decrease in consumer dollar purchasing power. The reduction in expected parental contributions generally occurred at the same rate at most institutions.

Table II-1

Estimated Average CSS-Expected Parental Contributions for Full-Time Freshmen by Types of Institutions, 1972-1977

Type of Institution	1972	1973	1974	1975	1976	1977
4-Yr White Public	$3,248	$3,764	$3,546	$2,138	$2,425	$2,180
(Index)	(100)	(116)	(109)	(66)	(75)	(67)
4-Yr Black Public	$ 291	$ 469	$ 437	$ 325	$ 434	$ 274
(Index)	(100)	(161)	(150)	(112)	(149)	(94)
USC Regional	$1,316	$1,800	$1,818	$1,065	$ 971	$ 845
(Index)	(100)	(137)	(138)	(81)	(74)	(64)
4-Yr White Private	$4,648	$4,952	$4,460	$3,181	$3,067	$2,809
(Index)	(100)	(107)	(96)	(68)	(66)	(60)
4-Yr Black Private	$ 362	$ 413	$ 470	$ 278	$ 260	$ 124
(Index)	(100)	(114)	(130)	(77)	(72)	(34)
2-Yr Private	$1,800	$1,930	$1,963	$1,150	$ 989	$ 977
(Index)	(100)	(107)	(109)	(64)	(55)	(54)
All Colleges	$3,068	$3,358	$3,229	$2,097	$2,120	$1,810
(Index)	(100)	(109)	(105)	(68)	(69)	(59)

The impact of this reduction in parental ability to pay for post-secondary educational costs will be further described in a later chapter. It is sufficient to note here that South Carolina families are likely to have increasing difficulty in paying for their childrens' educational costs. The next chapter describes how the costs they and their children must meet have changed.

CHAPTER III

COSTS OF POSTSECONDARY EDUCATION IN SOUTH CAROLINA

The consumer costs of education, like the costs of other goods and services, have risen steadily over the past several years. Figure III-1 shows greater average costs increase at four-year private colleges and predominantly Black four-year colleges than at the other institutions. In general, costs increased at a more rapid rate after 1975.

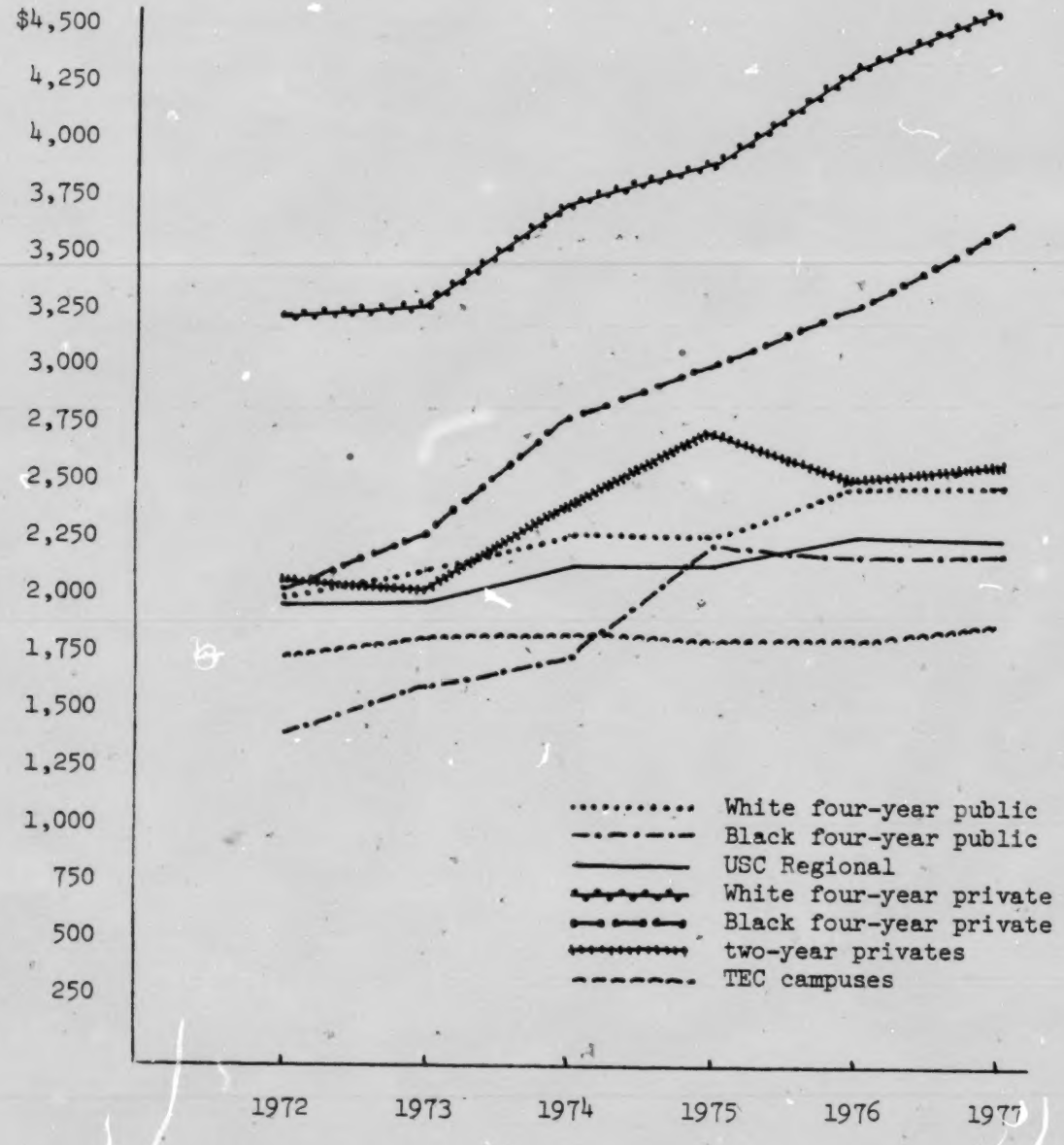
When all other factors are considered equal, an institution, or type of institution, is likely to attract more students than its competitors if its costs are lower. An institution's costs determine its position in what is known as the marketplace for postsecondary education. Again, all factors considered equal, an institution has a "favorable" position if its costs are lower than those of similar institutions. The lower its relative costs, the better the institution's "position."

Because costs among the different types of institutions changed at different rates, so did their relative "positions" in the marketplace. For example, in 1972, the average cost of a year in attendance at a private four-year college in South Carolina was 1.40 times the average costs at a public four-year college. By 1977, the cost at the private colleges were 1.57 times that of public colleges.

The average cost to students at two-year private colleges in 1972 was only 17 percent greater than the cost of attending a USC regional campus or TEC campus. By 1977, the costs at two-year private colleges

FIGURE III-1

Average Resident Student Budgets
by Institutional Types, 1972 to 1977



were 34 percent greater than those at two-year public institutions. In 1972, attending the Black private colleges was 48 percent more costly than attending the Black public college. By 1977, attending the Black private colleges was 57 percent most costly than attending the Black public college. It is quite clear from these data that the positions of South Carolina private institutions in the marketplace for postsecondary education sharply declined during the study period. Table III-1 shows how the budgets of the different types of institutions compare with each other and the national average at the beginning and at the end of the study period.

The data show that South Carolina's colleges have generally enhanced their pricing position relative to similar types of colleges across the nation. This is especially true for the predominantly White four-year public colleges. Further, all types of South Carolina public institutions have in terms of their competitive price positions gained an increasing advantage over South Carolina private colleges and over public colleges in other states. While South Carolina's private colleges have enhanced their pricing position relative to out-of-state private colleges, they have lost their relative position to in-state public institutions.

Data show that substantial tuition increases at South Carolina's private institutions contributed to their loss of competitive price positions to the public colleges. For example, the average cost of tuition weighted by enrollment at predominantly White four-year private colleges increased by 44 percent, from $1,730 to $2,488. Average tuition at two-year private colleges increased by 59 percent, from $800 to $1,268. Tuitions at predominantly Black four-year private

Table III-1

Weighted Average Total Resident Student Budgets at South Carolina Institutions and Institutions Throughout the Nation, 1972 and 1977.

	1972	1977	Amt. Increase	Pct. Increase
S. C. 4 Yr. White Publics	$2,026	$2,583	$ 557	27.5%
S. C. 4-Yr. Black Publics	$1,400	$2,300	$ 900	64.3
All 4-Yr. Public Colleges	$1,984	$2,895	$ 911	45.9
USC Regional Campuses	$1,954	$2,390	$ 436	22.3
S. C. TEC Campuses	$1,750	$1,904	$ 154	8.8
All 2-Yr. Public Colleges	$1,937	$2,496	$ 559	28.9
S. C. 4-Yr. White Privates	$3,218	$4,558	$1,340	41.6
S. C. 4-Yr. Black Privates	$2,078	$3,602	$1,524	46.7
All 4-Yr. Private Colleges	$3,279	$4,811	$1,532	46.7
S. C. 2-Yr. Privates	$2,087	$2,614	$ 527	25.3
All 2-Yr. Private Colleges	$2,539	$3,444	$ 905	35.6

Source: College Scholarship Service, Student Expenses at Postsecondary Institutions, 1973-74 New York: College Entrance Examination Board, 1973, and the comparable publication for 1977-78.

colleges increased by 52 percent, from $1,141 to $1,730. During the same period, tuition at predominantly White four-year public colleges increased by only 6 percent, from $605 to $644, and at the Black public college by 8 percent, from $480 to $520. Tuition at USC regional campuses remained the same. Tuitions at TEC campuses increased by 36 percent, from $221 to $301.

Increases in tuition were related to increases in per capita educational and general expenditures at the different types of institutions. Each year studied tuition revenues defrayed approximately the same proportions of educational and general expenditures at predominantly White four-year public colleges, USC regional and TEC campuses, predominantly Black four-year private colleges, and two-year private colleges. At the predominantly Black public college tuition revenues defrayed an increasing percentage of expenditures. At predominantly White four-year private colleges tuition revenues defrayed a decreasing percentage of expenditures. Therefore, at most institutional types, increases in expenditures necessary to support educational and other services were passed on to the students in the form of increased tuition. This is especially true at the predominantly Black four-year public college.

The only exception to this generalization was found among predominantly White four-year private colleges. These institutions have apparently adopted a financing strategy which involves holding expenditure increases to as low a level as feasible while passing on relatively smaller proportions of the cost increases to students and seeking financial support from other sources, such as private donors, contracts, and government grants. This strategy is undoubtedly an attempt to inhibit the further decline of their price position in the marketplace. Such a strategy involves a risk in the

reduction of the quality of instruction and services and is probably ineffective, if not dangerous, in the long run.

An examination of state appropriations to public institutions shows that per capita appropriations defrayed a significant, and slightly increasing, percentage of per capita educational and general expenditures during the period studied. At four-year public colleges, state appropriations represented about 70 percent of the total educational and general expenditures. At TEC campuses they represented about half the total expenditures and, at USC regional campuses, less than 40 percent of the annual educational and general expenditures.

Apparently public institutions have adopted a financing strategy which calls for students (and their families) and state appropriations to continue to support a fairly stable percentage of increasing educational and general expenditures.

This strategy can continue to be viable only as long as legislative appropriations continue to increase and students (and their families) remain willing to pay the increased costs.

This strategy for financing public institutions is somewhat dependent on the continued gap in costs between the public and private sectors of postsecondary education. As long as students can purchase educational "goods and services" in the public sector at a lower price than is possible at private institutions, they are likely to remain willing to pay increased costs at public institutions--simply because these educational "goods and services" are not available at a lower price elsewhere. There is, however, some point at which education, whether in a public or private institution, may become too expensive for all but the most affluent. At that point, both student access to and choice of postsecondary education will sharply decline unless more aid resources are made available to offset the cost increases.

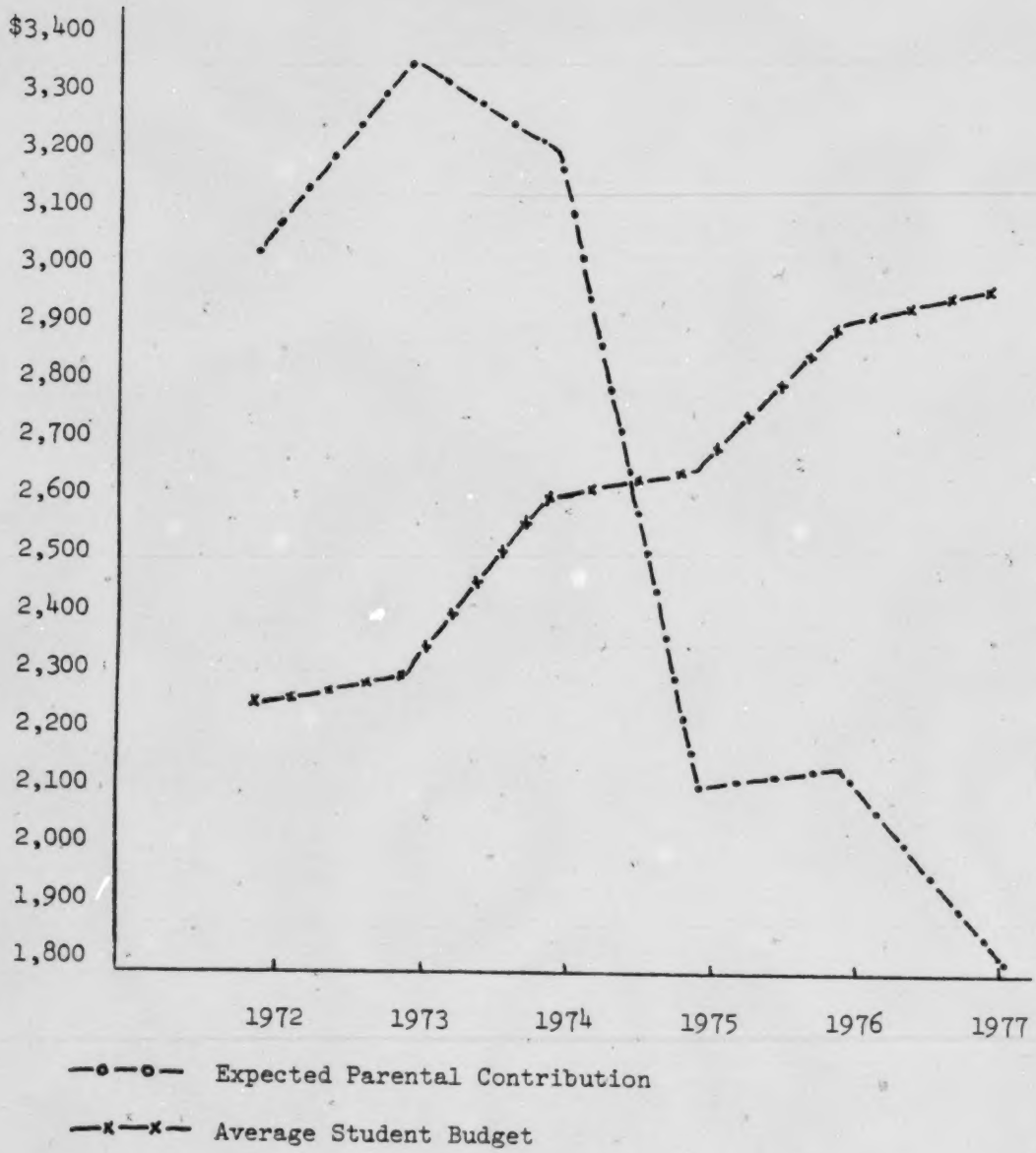
More aid resources will be needed because costs are increasing and because parents of South Carolina students are becoming less able to pay these costs. The decrease, at all income levels, in parental ability to pay for educational costs was noted in Chapter II. Here it can be discussed in a different manner; that is, relative to costs.

Figure III-3 shows how the weighted average costs South Carolina college students paid compare to their weighted average ability to pay the costs. The "weights" are based on the family income of students and enrollment at each type of institution. Until 1975, the weighted average CSS-expected parental contribution of South Carolina students was greater than the average costs paid by the students. Since that year, the weighted average ability to pay for educational costs has been less than the average costs. Furthermore, the gap between parents' ability to pay for costs and the costs students must pay is sharply increasing. There is evidence to indicate that this trend will continue in the near future.

It was noted, in Chapter II, that financial access to postsecondary educational opportunities increased among South Carolina students during the study period. That this has occurred is due, in great part, to tremendous increases in the aid resources made available to students. These aid resources will be described in Chapter IV.

FIGURE III-2

Weighted Average CSS-Expected Parental Contributions and Resident Student Budgets 1972 to 1977



CHAPTER IV

GROWTH OF STUDENT AID IN SOUTH CAROLINA

Between the 1973-74 and 1977-78 academic years, the amount of financial aid generally available to South Carolina undergraduates nearly tripled. The programs which make aid "generally available" to the most students, with the fewest limitations on eligibility, include: the Federal Basic Educational Opportunity Grant (BEOG); the Supplemental Educational Opportunity Grant (SEOG); the College Work-Study (CWSP); the National Direct Student Loan (NDSL); and the Guaranteed Student Loan (GSLP) programs; the state-supported South Carolina Student Loan Corporation Program and the Tuition Grant Program; and aid programs funded and administered by the postsecondary institutions themselves.

In 1973-74, aid from these programs totaled $23.98 million. In 1977-78, the total amount awarded was $63.28 million, an increase of $39.3 million. This dramatic increase is primarily due to the implementation and expansion of the Federal BEOG program. In 1973, aid from this program amounted to approximately $747,000. In 1977, the BEOG program made an estimated $26 million dollars in grant awards available to South Carolina students. The increase in aid from this single program amounts to about 64 percent of the net increase in generally available aid.

Another 13 percent of the net increase in available aid came from awards made by the Tuition Grant Program. In 1973-74, the state-supported grant program awarded about $3.8 million to students at private colleges.

By 1977-78, Tuition Grant total awards were in excess of $8.9 million. Aggregate aid made available through campus-based Federal programs (SEOG, CWSP, and NDSL) accounted for about 11 percent of the net increase in available aid. Aid awarded through these programs totaled about $9.6 million in 1973-74 and $13.8 million in 1977-78. This represents an approximate growth rate of 44 percent. The remainder of the net increase, about 12 percent, came from the Guaranteed Student Loan Program, South Carolina Student Loan Corporation Program, and institutional aid program sources.

Because of the dramatic increase in awards from the BEOG program and the Tuition Grant Program, the growth of grant awards was much greater than the growth in other types of aid, e.g., long-term loans and work-study awards. The data are displayed in Figure IV-1.

Table IV-1 shows how the aid amounts from each "program" source grew during the study period. These data were obtained from reports from the various program sources. As noted above, the largest growth occurred in awards from the BEOG programs. Awards from state-supported programs had the next highest growth rate, followed by the campus-based Federal programs, the institutionally-funded and administered programs, and the Federal Guaranteed Student Loan Program.

Institutional aid awards increased by a relatively small percentage during the period studied. This is not too surprising since institutional costs for other educational services to students increased so substantially, thereby, inhibiting institutional expenditures for financial aid. It was discovered, however, that a somewhat stable percentage of institutional educational and general expenditures was represented by student aid expenditures during the period, decreasing by only a few percentage points.

FIGURE IV-1

Aggregate Generally Available Financial Aid, by Types of Aid (in millions of dollars)

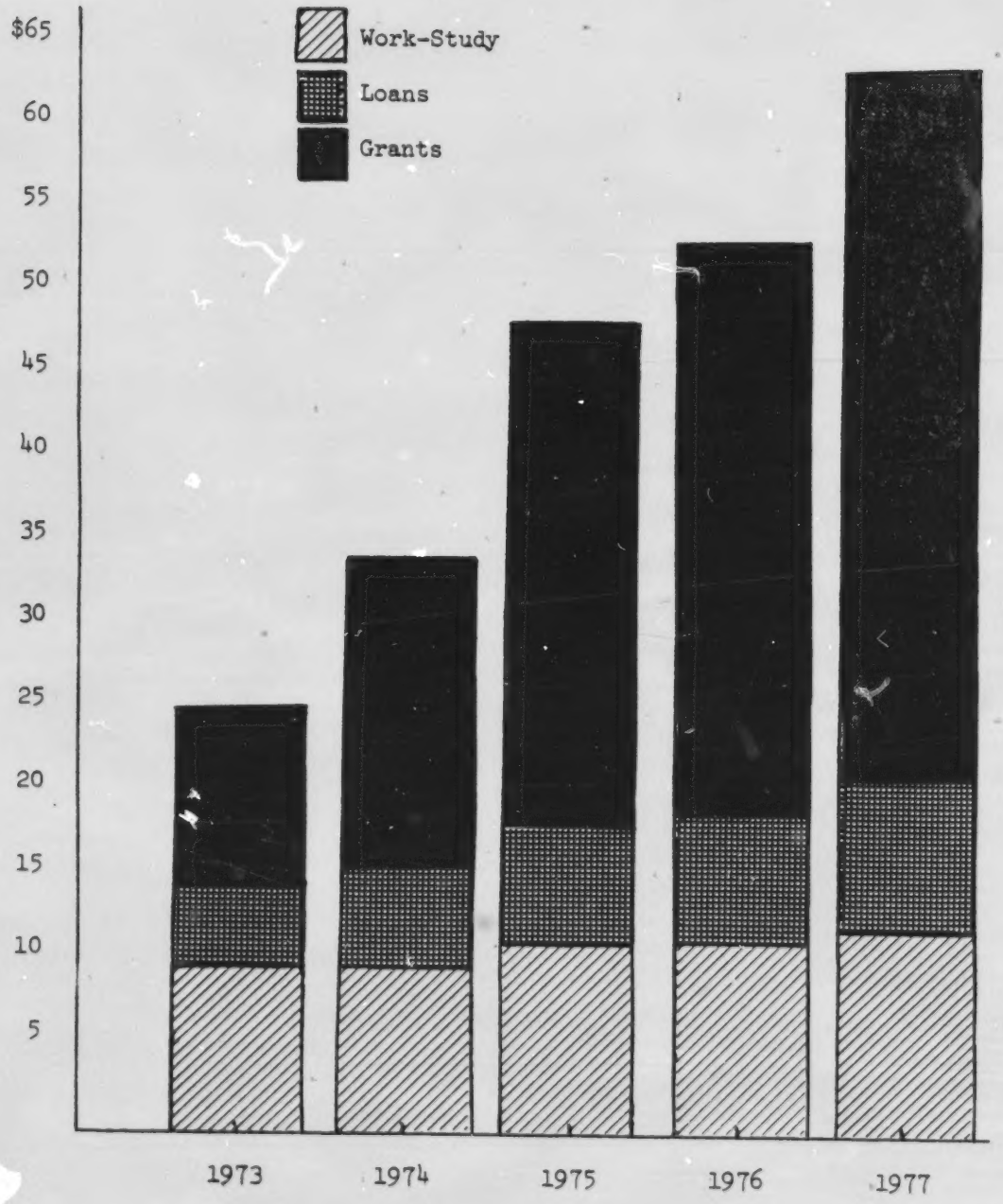


Table IV-1

Aggregate Generally Available Aid by Program Sources, 1973-1977 *

Program Source	1973	1974	1975	1976	1977
BEOG Awards (Index)	$ 747 (100)	$6,152 (824)	$15,175 (2031)	$20,847 (2791)	N.A.
SEOG Awards (Index)	$1,825 (100)	$1,868 (102)	$ 2,141 (117)	$ 2,099 (115)	$2,488 (136)
NDSL Awards (Index)	$2,886 (100)	$3,452 (120)	$ 3,887 (135)	$ 3,713 (129)	$4,720 (164)
CWSP Awards (Index)	$4,885 (100)	$4,886 (100)	$ 6,397 (131)	$ 6,607 (135)	$6,596 (135)
GSLP Awards (Index)	$1,405 (100)	$1,339 (95)	$ 1,414 (101)	$ 1,269 (90)	N.A.
Tuition Grants (Index)	$3,841 (100)	$6,291 (164)	$ 7,360 (192)	$ 6,610 (198)	$8,911 (232)
SCSLC Loans (Index)	N.A.	$ 101 (100)	$ 963 (953)	$ 1,225 (1213)	N.A.
Institutional Awards (Index)	$8,392 (100)	$8,979 (107)	$ 9,713 (116)	$ 9,887 (118)	N.A.

*Amounts shown in thousands.

This indicates that South Carolina institutions have continued to recognize the importance of student aid to their students and to the survival of their institutions.

Although the aggregate aid made generally available to undergraduates at all types of institutions increased dramatically, the increases at some institutions were substantially greater than at others. For example, aid at two-year institutions increased by a greater percentage than aid at four-year colleges. While aid at four-year colleges increased by 28 percent during the study period, aid at two-year institutions increased by about 3.7 times the 1973 amounts. Table IV-2 shows how generally available aid increased at the different types of institutions.

The increases in aggregate available aid do not offer an unclouded view of changes in students' ability to defray educational costs with aid resources. This is because increased aggregate aid dollars had to be distributed among increased numbers of students who paid increased costs. The data in Table IV-3 take the factors of increased enrollment and cost into account. The table shows the average "after-aid" costs at each type of institution for the study years. The figures were obtained by subtracting per capita amounts of generally available aid from the average resident student budgets in each year. The data indicate that the after-aid costs students at four-year colleges paid in 1977 were greater than after-aid costs paid in 1973. On the other hand, students at two-year institutions paid considerably lower after-aid costs in 1977 than in 1973, primarily because available aid increased by such great amounts. As a point of reference, in order to have maintained the 1973 after aid costs among all institutions, financial aid resources would have had to increase by $42.1 million rather than by $39.3 million. Given the actual increases

Table IV-2

Estimated Generally Available Aid to South Carolina Undergraduates by Type of Institution, 1973 and 1977*

Type of Institution	1973	1977	Amt. of Increase	Percentage Increase
4-Yr White Public	$ 7,073**	$14,902**	$ 7,829	111%
4-Yr Black Public	$ 1,178	$ 3,790	$ 2,612	222%
USC Regional	$ 735	$ 2,740	$ 2,005	273%
4-Yr White Private	$ 7,336	$15,555	$ 8,219	112%
4-Yr Black Private	$ 4,761	$12,077	$ 7,316	154%
2-Yr Private	$ 980	$ 2,875	$ 1,895	193%
TEC Campuses	$ 1,917	$11,341	$ 9,424	492%
All Campuses	$23,980	$63,280	$39,300	164%

*1977 data is based in part on estimates derived from SRS responses. Data for 1973 are based upon actual program source data.

**Amounts shown in thousands.

Table IV-3

Average Resident Student Budgets Minus Per Capita Generally Available Aid by Type of Institution, 1973-1977

Type of Institution	1973	1974	1975	1976	1977
4-Yr White Public	$1,940	$2,103	$1,994	$2,187	$2,180
(Index)	(100)	(108)	(103)	(113)	(112)
4-Yr Black Public	$1,049	$ 907	$1,176	$1,103	$1,034
(Index)	(100)	(86)	(112)	(105)	(99)
USC Regional	$1,537	$1,654	$1,385	$1,481	$1,292
(Index)	(100)	(108)	(90)	(96)	(84)
4-Yr White Private	$2,504	$2,681	$2,581	$2,918	$2,910
(Index)	(100)	(107)	(103)	(117)	(116)
4-Yr Black Private	$ 782	$ 947	$1,019	$1,235	$1,232
(Index)	(100)	(121)	(130)	(158)	(157)
2-Yr Private	$1,711	$1,753	$1,822	$1,550	$1,408
(Index)	(100)	(102)	(106)	(91)	(83)
TEC Centers	$1,704	$1,661	$1,590	$1,441	$1,377
(Index)	(100)	(97)	(93)	(85)	(81)
All Campuses	$1,865	$1,948	$1,831	$1,940	$1,900
(Index)	(100)	(104)	(98)	(104)	(102)

in enrollment and cost, a 180 percent increase in generally available aid would have been necessary to maintain the 1973 level of average after aid costs. Only a 164 percent increase occurred.

It was noted in Chapter III that the price positions of private colleges, especially four-year colleges, declined during the study period. In 1973, the average resident student budget at predominantly White four-year private colleges was 1.59 times the budget at predominantly White four-year public colleges. By 1977, the average budget at private colleges was 1.76 times that of public colleges.

The financial aid generally available to students at these two types of institutions should affect their after aid price positions. In 1973, the after aid costs at private colleges were 1.29 times those at public colleges. By 1977, the after aid costs at private colleges were 1.33 times those at public colleges. Therefore, by both measures of price position, the position of predominantly White four-year private colleges decreased relative to that of predominantly White four-year public colleges. However, increased financial aid to students at private colleges helped the colleges to better hold their after aid positions.

Given these changes in after aid costs at the different types of institutions, it is not surprising that enrollment at two-year institutions increased and that more lower-middle and middle-income students were among those enrolled. It has become increasingly advantageous, from a cost point of view, for students to attend two-year rather than four-year colleges.

It is recognized that generally available aid and parental contributions to do not represent all the total resources available to students to pay for college costs. Other financial resources are available to students and these may have a considerable impact on the distribution of students among institutions. The patterns of total resources are described in the next chapter.

CHAPTER V

PATTERNS OF PAYING FOR EDUCATIONAL COSTS AT SOUTH CAROLINA INSTITUTIONS

The preceding chapters have shown how educational costs, parental contributions, and financial aid patterns changed from 1973-74 to 1977-78. This chapter examines changes and differences in patterns of all resources available to pay for educational costs. These resources include: contributions from parents and spouses; students' personal savings; educational benefits (from the Veterans Administration, the Social Security Administration, and vocational rehabilitation); grants, loans, and work-study awards; and, employment earnings from term-time, off-campus jobs.

By comparing the responses of South Carolina freshmen to the National Longitudinal Study and the Student Resource Survey one can see that the patterns of available resources changed during the period studied. These comparisons are displayed in Table V-1. They show a sharp increase in all resources; the most dramatic increase occurred in employment earnings. In spite of the fact that average student aid resources tripled during the study period, they represented only a slightly larger proportion of all average financial resources in 1977 than in 1972, 30.2 percent as compared to 26.1 percent. In both years, family contributions and term-time earnings represented about the same proportions of total resources. However, in the latter years, freshmen received much greater amounts of resources from their own term-time employment earnings.

Table V-1

Estimated Average Financial Resources of
South Carolina Freshmen, 1972 and 1977

Resource	1972	Pct.	1977	Pct.	Pct. Increase
Total Family Contributions	$ 774	70.9%	$1,503	53.1%	194%
Total Financial Aid	$ 285	26.1%	$ 855	30.2%	300%
Employment Earnings	$ 33	3.0%	$ 473	16.7%	1433%
Total Financial Resources	$1,092	100.0%	$2,831	100.0%	259%

Parental ability to contribute toward educational costs declined during the study period. In spite of this decrease in ability to pay educational costs, South Carolina parents in 1977 generally made larger actual contributions, relative to their ability to make them, than they did in 1972. The data are displayed in Table V-2.

In both 1972 and 1977, parents with incomes below $9,000 contributed significantly more than expected by the CSS need analysis methodology. In 1972, parents with incomes in the $9,000 to $14,999 interval contributed less than the CSS expected contributions. But, by 1977, these "middle-income" parents contributed more than expected at all but the TEC campuses. In both years, higher-income parents contributed less-than-expected amounts toward their childrens' education. However, it should be noted that parental contributions in 1977 represented a larger proportion of the CSS-expected values than they did in 1972. Parents at all income levels were making greater relative financial sacrifices in 1977 than in 1972 to send their children to postsecondary institutions.

These greater relative financial sacrifices may be the consequence of two phenomena. The first is an increase in willingness of parents to spend more on their childrens' education. The second is the increased necessity to contribute larger amounts to meet increased costs. There is some evidence for the existence of both phenomena in the different parental contributions made to students at the different institutional types. The Student Resource Survey data permitted a comparison of actual average parental contributions to those expected by the CSS need analysis for students at each type of institution. The data are displayed in Table V-3. The CSS expected contributions are adjusted for the costs students had to pay. For example, if an SRS respondents' educational

Table V-2

Average CSS-Expected Contributions and Actual Family Contributions to Freshmen, by Family Income Intervals, 1972 adn 1977

Family Income	1972	1977
Less than $9,000		
CSS-Expected Contribution	$ 90	$ 5
Student Reported Contribution	$ 411	$ 298
Difference	$ 321	$ 293
$9,000 to $14,999		
CSS-Expected Contribution	$1,177	$ 491
Student Reported Contribution	$ 574	$ 624
Difference	($ 603)*	$ 133
$15,000 and Above		
CSS-Expected Contribution	$2,550	$2,477
Student Reported Contribution	$ 915	$ 980
Difference	($1,635)	($1,497)

*Amounts in ( ) indicate that actual contribution is less than the expected one.

Table V-3

Comparison of Mean Parental Contributions to Mean CSS-Expected Contributions Up to Costs, by Family Income Intervals and Type of Institution

Family Income	4-Yr White Publics	4-Yr Black Public	USC Regional	4-Yr White Privates	4-Yr Black Privates	2-Yr Privates	TEC Centers
Less than $9,000							
Actual Contribution	$ 386	$ 216	$ 294	$ 623	$ 380	$ 410	$ 251
Expected Up to Costs	$ 4	$ 0	$ 0	$ 5	$ 0	$ 17	$ 9
Difference	$ 382	$ 216	$ 294	$ 618	$ 380	$ 393	$ 242
$9,000 to $14,999							
Actual Contribution	$ 856	$ 318	$ 550	$1,308	$ 439	$ 784	$ 274
Expected Up to Costs	$ 626	$ 201	$ 538	$ 484	$ 410	$ 397	$ 466
Difference	$ 230	$ 117	$ 12	$ 824	$ 29	$ 387	($ 192)*
$15,000 and Above							
Actual Contribution	$1,229	$1,218	$ 561	$1,664	$1,048	$1,097	$ 488
Expected Up to Costs	$1,933	$1,635	$1,384	$2,458	$1,556	$1,851	$1,233
Difference	($ 704)	($ 417)	($ 823)	($ 794)	($ 508)	($ 754)	($ 745)
Actual/Expected Contribution	63.6%	74.5%	40.5%	67.7%	67.4%	59.3%	39.6%

*Amounts in ( ) indicate that actual contribution is less than the expected one.

costs were $2,400 and his parents had the ability to contribute $2,700 toward his educational costs, the parents' "CSS-Expected Contributions Up to Cost" would be just $2,400. This is because it would be unnecessary for the parents to make any contributions above and beyond the actual costs. Adjusting the expected contributions "up to cost" provides a more valid comparison of expected and actual contributions among students at the different types of institutions.

The parents of lower-income students made contributions which were from $216 to $618 more than expected. The parental contributions to students at the predominantly Black public college, USC regional campuses, and TEC campuses exceeded the expected contributions by about $240. The contributions to students at predominantly White four-year public colleges, predominantly Black four-year private colleges, and two-year private colleges exceeded the expected contributions by about $380. Parental contributions to students at predominantly White four-year private colleges exceeded the expected contributions by about $618.

Apparently students who attended predominantly White four-year private colleges and, to a lesser extent, those who attended predominantly White four-year public colleges, two-year private colleges, and predominantly Black four-year private colleges, had parents who are willing to make substantially larger than expected financial sacrifices in order to send their children to college.

A somewhat similar pattern appears among students from families in the $9,000 to $14,999 income interval. Parents of students at predominantly White four-year private colleges made contributions which were $824 more than expected. Contributions to students at two-year private colleges were $387 greater than expected. Contributions to

students at predominantly White four-year public colleges were $230 greater than expected. Contributions to students at predominantly Black colleges were somewhat larger than expected, and contributions to students at two-year public institutions were about equal to or somewhat less than expected.

Among upper-income students, parental contributions were less than expected under the CSS need analysis methodology. Parental contributions represented about the same proportion of expected contributions at four-year institutions and two-year private colleges, about 67 percent. Parental contributions to students at two-year public institutions represented only about 40 percent of the expected contributions.

It can be assumed that greater-than-expected parental contributions indicated a greater willingness of parents to make family financial sacrifices to attend postsecondary education. If this assumption is valid, the data indicate that students who attend four-year colleges, especially predominantly White private institutions, come from families in which parents are willing to make substantial financial sacrifices to help meet college costs. A major reason why students attend two-year public institutions may be that their parents are generally less willing to make these financial sacrifices.

There are some additional implications of the relationships between actual and expected parental contributions. One is that lower- and middle-income parents are probably making undue personal and family financial sacrifices in order to pay for their childrens' education. Because their contributions are now larger-than-expected and are presumably approaching the maximum they can make, any increases in educational costs to their children would probably have to be defrayed by

other sources of financial support. If those other sources of support are not available and in increased amounts, a reduction in the number of lower-income and middle-income students can be expected.

Another implication derives from the fact that upper-income parents are contributing less-than-expected amounts. This indicates that there is some degree of unwillingness among these parents to make the contributions expected of them. Even though parents of 1977 freshmen made greater contributions, relative to their measured ability to make them, than did parents of 1972 freshmen, the upper-income parents may be approaching the point beyond which they are willing to make contributions. In this event, upper-income students are likely to have to seek increased support from financial aid or term-time earnings to meet increased costs. Or, these students may enroll in greater numbers at two-year public institutions where their parental contributions will meet a larger proportion of their costs.

Therefore, substantial increases in educational costs without corresponding increases in financial aid, or increased access to financial resources, or major changes in parental ability and willingness to meet increased costs may result in significant shifts in enrollment among South Carolina's postsecondary institutions. Increases in educational costs are also likely to result in reduced access to postsecondary education for lower- and middle-income students.

Table V-4 displays the average resources of students at each type of institution in 1977. These data indicate that different patterns of educational financing exist among students at the various institutions. The patterns reflect the students' different educational costs, parental contributions, access to financial aid, and ability to obtain employment

Table V-4

Average Available Financial Resources of All Undergraduates, by Institutional Types

	4-Yr White Publics		4-Yr Black Publics		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
Parents/Spouse	$1,129	39.1%	$ 333	18.1%	$ 633	25.8%	$1,459	36.5%	$ 471	14.5%	$ 883	28.1%	$ 552	18.5%
Personal Savings	$ 356	12.3	$ 105	5.7	$ 280	11.4	$ 392	9.8	$ 163	5.0	$ 238	7.6	$ 206	6.9
Education Benefits	$ 312	10.8	$ 154	8.4	$ 306	12.4	$ 203	5.1	$ 329	10.1	$ 298	9.5	$ 763	25.6
(Family Contribution)	($1,797)	(62.2%)	($592)	(32.2%)	($1,219)	(49.6%)	($2,054)	(51.4%)	($963)	(29.6%)	($1,419)	(45.1%)	($1,521)	(51.0%)
Grants	$ 339	11.8	$ 906	49.3	$ 497	20.2	$1,229	30.7	$1,652	50.7	$1,162	36.9	$ 433	14.5
Loans	$ 134	4.6	$ 122	6.6	$ 49	2.0	$ 243	6.1	$ 201	6.2	$ 116	3.7	$ 59	2.1
Employment	$ 168	5.8	$ 173	9.4	$ 146	5.9	$ 225	5.6	$ 313	9.6	$ 150	4.8	$ 201	6.7
(Total Aid)	($641)	(22.2%)	($1,201)	(65.3%)	($692)	(28.1%)	($1,697)	(42.4%)	($2,166)	(66.5%)	($1,428)	(45.4%)	($693)	(23.3%)
Earnings	$ 447	15.6	$ 46	2.5	$ 545	22.3	$ 248	6.2	$ 126	3.9	$ 299	9.5	$ 767	25.7
Total Resources	$2,885	100.0%	$1,839	100.0%	$2,456	100.0%	$3,999	100.0%	$3,255	100.0%	$3,146	100.0%	$2,981	100.0%
Resources/Costs	101.5%		94.5%		103.4%		85.5%		90.6%		103.0%		123.5%	
Average Budget	$2,841		$1,938		$2,375		$4,672		$3,593		$3,054		$2,412	

in off-campus, term-time jobs. In general, the higher the students' educational costs, the greater their average total resources.

Contributions from parents and spouses represented 39 percent of the resources of students at predominantly White four-year colleges, about 28 percent of the resources of students at two-year private colleges and regional campuses, 18 percent of TEC students' resources and the resources of students at the predominantly Black public college, and about 14 percent of the resources of students at predominantly Black four-year private colleges.

Personal savings accounted for 11 percent of the student resources at predominantly White four-year colleges and USC regional campuses, about 8 percent of the resources at two-year private colleges and TEC campuses, and only about 5 percent of the resources at predominantly Black colleges.

Education benefits represented 26 percent of the total resources of TEC students, but only about 10 percent of the resources of students at public colleges, predominantly Black four-year private colleges, and two-year private colleges and, just 5 percent of students' resources at predominantly White four-year private colleges.

Grant aid represented about half the resources of students at predominantly Black colleges, 37 percent of the resources of students at two-year private colleges, 31 percent of the resources of students at predominantly White four-year private collegs, about 19 percent of the resources of students at less-than-four-year public institutions, and just 12 percent of the resources of students at predominantly White four-year public colleges.

Loans and employment aid resources furnished about 15 percent of the resources of students at predominantly Black colleges, but between 8 to 10 percent of the resources of students at predominantly White institutions.

Total average financial aid resources were over 65 percent of the resources of students at predominantly Black colleges, about 43 percent of the resources of students at predominantly White private colleges, about 29 percent of the resources of students at less-than-four-year public institutions, and just 22 percent of the resources of students at predominantly White four-year public colleges.

Term-time earnings in off-campus employment represented 25 percent of the resources of students at less-than-four-year public institutions, 16 percent of students' resources at predominantly White four-year public colleges, and less than 10 percent of the resources of students at other institutions.

Some very different patterns of educational finance are apparent from these data. About two-thirds of the resources of students at the predominantly Black colleges come from aid and a third from other sources. About 43 percent of the resources of students at predominantly White private colleges come from financial aid and the remainder from other sources. About half the resources of students at less-than-four-year public institutions come from family contributions, with nearly equal remaining parts coming from aid and term-time, off-campus employment. Family contributions and term-time earnings represented nearly 78 percent of the resources of students at predominantly White four-year public colleges, only 22 percent coming from aid.

Table V-5 displays the average total resources by source among family income intervals at the different types of institutions in 1977. These data show how the role of the family contribution, financial aid, and employment earnings varied among students within the three family income intervals by types of institutions. It will be noted that, as

Table V-5

Average Available Financial Resources of All Undergraduates, by Family Income Intervals at Institutional Types

	4-Yr White Publics		4-Yr Black Publics		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
	AMT	PCT	AMT	PCT	AMT	PCT	AMT	PCT	AMT	PCT	AMT	PCT	AMT	PCT
Less than $9,000														
Family Contribution	$1,402	46.3%	$ 500	25.8%	$ 952	41.6%	$1,560	34.9%	$ 823	26.6%	$1,310	35.6%	$1,378	48.4%
Total Aid	1,146	37.9	1,401	72.3	919	40.2	2,651	59.4	2,168	70.1	2,082	56.6	886	31.1
Earnings	477	15.8	37	1.9	415	18.2	254	5.7	100	3.3	289	7.8	584	20.5
Total Resources	$3,025	100.0%	$1,938	100.0%	$2,286	100.0%	$4,465	100.0%	$3,091	100.0%	$3,681	100.0%	$2,848	100.0%
$9,000 to $14,999														
Family Contribution	$1,765	56.9%	$ 586	33.6%	$1,611	57.1%	$1,973	43.7%	$1,060	26.5%	$1,335	44.7%	$1,479	48.6%
Total Aid	867	28.0	1,107	63.5	588	20.8	2,231	49.4	2,723	68.1	1,509	50.5	701	23.0
Earnings	469	15.1	51	2.9	624	22.1	313	6.9	217	5.4	142	4.8	866	28.4
Total Resources	$3,101	100.0%	$1,744	100.0%	$2,823	100.0%	$4,517	100.0%	$4,000	100.0%	$2,986	100.0%	$3,046	100.0%
$15,000 and above														
Family Contribution	$1,998	67.7%	$1,492	63.8%	$1,118	45.9%	$2,351	59.7%	$1,374	36.7%	$1,675	56.1%	$1,761	55.7%
Total Aid	551	18.7	771	33.0	660	27.1	1,372	34.8	2,202	58.8	1,005	33.7	488	15.4
Earnings	401	13.6	76	3.2	655	27.0	215	5.5	171	4.5	306	10.2	911	28.9
Total Resources	$2,450	100.0%	$2,339	100.0%	$2,433	100.0%	$3,938	100.0%	$3,747	100.0%	$2,986	100.0%	$3,160	100.0%

family income increased at each type of institution, family contributions represented a greater amount and proportion of the total financial resources. Financial aid resources showed decreasing proportions of the students' total resources as the incomes increased. Term-time, off-campus employment earnings represented a stable proportion of total resources among students from different family income intervals. However, resources from this source, as noted above, varied considerably by the types of institution the student attends.

At the lower-income levels, financial aid resources were 71 percent of the resources of students at predominantly Black colleges, about 59 percent of the resources of students at predominantly White private colleges, only 38 percent of the resources of students at predominantly White four-year public colleges and USC regional campuses, and just 31 percent of the resources of TEC students. Without access to financial aid, lower-income students at predominantly Black colleges could meet, on the average, only 26 percent of their average budgets. Without aid lower-income students at predominantly White four-year private colleges could meet only 39 percent of their average costs and students at two-year private colleges could meet 52 percent of their average budgets. The resources of lower-income students at predominantly White four-year public colleges and USC regional campuses would, without benefit of financial aid, meet over 65 percent of their average costs. Lower-income TEC students could defray 81 percent of their average costs without benefit of financial aid.

These data help to illustrate the significance of financial aid to the students' access to the different institutions. Without substantial aid resources, lower-income students would have little hope of financial

access to any type of institution but the TEC campuses, the USC regional campuses, and, to a lesser extent, the four-year public colleges.

Another illustration of the importance of financial aid is evident from the data. If lower-income students at predominantly White four-year private colleges chose to attend predominantly White four-year public colleges and they had access to their current family contributions and term-time earnings, 61 percent of their budgets would be met without aid. This is about the same proportion of costs met without aid by students currently enrolled at public colleges. Therefore, financial aid to lower-income students at predominantly White four-year private colleges appears to be making up the differences in their higher costs. About $1,800 of resources of lower-income students currently enrolled at both predominantly White four-year college types comes from the family contribution and term-time earnings.

Similar amounts of the resources of "middle-income" students at the types of predominantly White four-year colleges come from non-aid (family contributions and term-time earnings) sources. At the upper-income levels, students at predominantly White four-year private colleges have slightly larger non-aid resources than students at predominantly White four-year public colleges, primarily because parents of the former make relatively larger contributions to their children. Therefore, without access to aid resources there is a considerable "cost incentive" to attend public colleges rather than private colleges, regardless of the students' family income.

The impact of this "cost incentive" and its moderation by financial aid resources can be demonstrated in another manner. Table V-6 shows the average "costs" by family income levels after three factors are considered. The first factor is the average "cost" remaining after the

Table V-6

Average Costs After Consideration of Family Contributions, Financial Aid, and Employment Earnings, by Family Incomes and Type of Institution

Family Income	4-Yr White Publics	4-Yr Black Public	USC Regional	4-Yr White Privates	4-Yr Black Privates	2-Yr Privates	TEC Centers
Less than $9,000							
Costs After Family Contribution	$1,439	$1,438	$1,423	$3,112	$2,770	$1,749	$1,034
Costs After Financial Aid	$ 293	$ 37	$ 504	$ 461	$ 602	($ 338)*	$ 148
Costs After Employment Earnings	($ 184)	$ 0	$ 89	$ 207	$ 502	($ 622)	($ 436)
$9,000 to $14,999							
Costs After Family Contribution	$1,076	$1,332	$ 764	$2,699	$2,533	$1,724	$ 933
Costs After Financial Aid	$ 209	$ 245	$ 257	$ 468	($ 190)	$ 215	$ 232
Costs After Employment Earnings	($ 260)	$ 194	($ 448)	$ 155	($ 407)	$ 73	($ 634)

*Amounts in ( ) indicate a surplus of resources over costs.

continued...

Table V-6
(continued)

Family Income	4-Yr White Publics	4-Yr Black Public	USC Regional	4-Yr White Privates	4-Yr Black Privates	2-Yr Privates	TEC Centers
$15,000 and Above							
Costs After Family Contribution	$ 843	$ 446	$1,257	$2,321	$2,219	$1,384	$ 651
Costs After Financial Aid	$ 292	($ 325)*	$ 597	$ 949	$ 17	$ 379	$ 163
Costs After Employment Earnings	($ 109)	($ 401)	($ 58)	$ 734	($ 154)	$ 73	($ 748)

*Amounts in ( ) indicate a surplus of resources over costs.

family contribution is considered. Another name for this amount is "financial need" as this term is defined by costs minus family contributions. The second factor is the average "cost" after all financial aid resources have been ap;lied toward meeting the "financial need." This amount could be called "remaining need." Students frequently attempt to meet their "remaining need" with earnings from off-campus employment. The "costs" after average employment earnings are considered could be called "unmet need", because that is the amount of average financial need (and total costs) not defrayed by the family contribution, financial aid, or term-time, off-campus earnings.

After the family contribution is considered, TEC students have the lowest costs (financial need) of any lower-income students, $1,034. Lower-income students at the other public colleges have the next highest "cost," about $1,435, followed by those at two-year and four-year private colleges. Given these financial circumstances, the "cost-incentive" to lower-income students would be to attend TEC campuses and public colleges.

Since these students could not, on the average, meet their costs without aid, it is important to consider the effect of financial aid on their costs. After average aid resources are considered, students at two-year private colleges have, on the average, a surplus of resources over costs. The distribution of aid resources make it quite attractive for them to consider attending these institutions. Those with the next lowest "cost after financial aid" are students at TEC campuses and the predominantly Black public college, followed by the students at predominantly White four-year public colleges. Lower-income students at USC regional campuses and four-year private colleges have an average of over $460 of costs to meet after aid is considered. Therefore, the distribution of aid resources creates a greater "cost incentive" to attend

public colleges than four-year private colleges.

After the students' term-time earnings are considered, lower-income students at all but the four-year private colleges have met their average educational costs. Lower-income students at predominantly White four-year private colleges still need an additional $207 to meet their average costs; those at predominantly Black colleges need about $502.

If it were a goal of public policy makers to use financial aid resources to equalize the financial ability of lower-income students to attend all the different types of postsecondary education in South Carolina, considerable additional aid would have to be made available to many students. For example, if it were decided that a remaining "cost after financial aid" of $100 were reasonable, average aid resources at predominantly White four-year public colleges would have to be increased by 17 percent, from $1,146 to $1,339. At USC regional campuses, aid resources would have to increase by 29 percent , from $1,401 to $4,805. The respective proportions and amounts at the other types of institutions are: predominantly White four-year private colleges, 14 percent from $2,651 to $3,012; at predominantly Black four-year private colleges, 23 percent from $2,168 to $2,670; and, at TEC centers,* 5 percent from $886 to $934.

Among students with family incomes in the $9,000 to $14,999 interval, financial needs (or "costs after family contributions") are lowest at USC regional and TEC campuses, followed by the financial need at four-year public colleges. Financial need at four-year private colleges is about 2.5 times the amount of need at predominantly White four-year public colleges.

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* At the time this report was begun the Technical Education Centers were undergoing a change in name to Technical Colleges; they have been referred to as TEC centers or campuses for consistency with base year (1972-73) nomenclature.

The distribution of financial aid to middle-income students does a great deal toward equalizing "after aid" costs at the different types of institutions. The average cost after financial aid for students at public institutions and two-year private colleges is about the same, approximately $230. Middle-income students at predominantly Black four-year private colleges have a surplus of resources over costs in the approximate average amount of $190. Middle-income students at predominantly White four-year private colleges still need to meet an average of $468 of costs after aid is applied.

While the financial need of these middle-income students is considerably different at different types of institutions, the distribution of financial aid helps considerably to equalize the financial incentives to choose among them. After employment earnings are considered, most middle-income students have come close to or have exceeded their average costs with all their available resources.

Following the example for lower-income students, if it were the intention of public policy makers to equalize "after aid" costs among institutional types, aid resources would also have to be increased. If, for example, a $100 average cost after financial aid were considered reasonable, aid resources would have to be increased by these proportions and amounts: at predominantly White four-year public colleges, 13 percent from $867 to $976; at the Black public colleges, 13 percent from $1,107 to $1,252; at USC regional campuses, 27 percent from $588 to $745; at predominantly White four-year private colleges, 16 percent from $2,231 to $2,599; at two-year private colleges, 8 percent from $1,509 to $1,624; and, at TEC campuses, 19 percent from $701 to $833.

Among students with incomes above $15,000, the "cost incentive" is greatest to attend TEC campuses or four-year public colleges. This is because their financial need, or "costs after family contributions," are considerably lower. The financial need of upper-income students at two-year public and private colleges is about the same, approximately $1,320. The financial need of students at four-year private colleges is highest, about $2,270.

The distribution of financial aid among upper-income students creates a substantial incentive to attend predominantly Black colleges and TEC campuses, where "costs after financial aid" are lowest. A considerable incentive is also given to attend predominantly White four-year colleges, where the average "cost after financial aid" is only $292. At predominantly White four-year colleges, upper-income students still have to meet, on the average, $949 of costs with resources of their own. Less than half of the USC regional campuses students' financial need is met with aid resources.

Term-time employment earnings nearly meet or exceed the average costs of upper-income students at all but predominantly White four-year private colleges, where students need an average of $734 to meet their average costs after all resources are considered.

Because the parental contributions to students from families with incomes above $15,000 are generally less than the amounts the parents can reasonably afford to pay, public policy makers would probably not wish to use aid resources to equalize "costs after aid" for these students.

Policymakers should, however, recognize that the willingness of upper-income parents to make contributions to their children's education in conjunction with the financial aid that is available to the students creates a considerable cost incentive to attend public institutions.

The large amounts of "unmet need" experienced by some student groups and represented in Table V-6 by "costs after employment earnings," are not necessarily reliable. The data were obtained from the SRS survey which was taken early in the spring, 1978, at most South Carolina colleges. Some respondents may have over-estimated their educational costs for the year and others may have under-estimated their available resources for the entire year. The effect of these mis-estimates may be a greater unmet need than actually experienced.

However, there is no reason to believe that one student group is more, or less, likely to make mis-estimates of their costs or resources. Therefore, the relative rank order of the estimates of unmet need or "surplus" of resources over costs are quite likely to be reliable. For example, it is highly unlikely that the student group which reported the highest unmet need (upper-income students at predominantly White four-year private colleges who reported an "unmet need" of $734) would have a lower actual unmet need than those who reported the next highest "unmet need" (the lower-income students at predominantly Black private colleges who reported an unmet need of $602). Furthermore, it is highly unlikely that large amounts of "unmet need" do not represent some substantial quantity of "unmet need." Large "surpluses" of resources likely represent real surpluses of resources over average costs.

In brief, at least five student groups are likely to have real and substantial unmet financial needs: lower-income students at the two types of four-year private colleges, middle-income students at the Black public college and predominantly White four-year private colleges, and upper-income at predominantly White four-year private colleges.

It should be emphasized that almost all student groups (those in the three family income intervals at the seven institutional types) would

have considerably unmet need if substantial numbers of them did not work in off-campus jobs. After only family contributions and financial aid resources are considered, the average unmet need is $400. Most of that unmet need is met with term-time earnings.

The educational effects of this necessary term-time, off-campus employment are unknown. It is, however, unlikely that much of it makes positive contributions toward the students' educational growth and development. It is likely that a substantial proportion of off-campus employment takes place in menial tasks which are unrelated to the students' courses or academic interests. Further, it is likely that employment in these tasks, unlike College Work-Study Program employment which is carefully monitored by campus administrators, detracts from the attention students can give to their academic programs.

Summary

The Impact Study data indicated that major changes in patterns of student educational choices took place during the study period. They include the following: (1) financial aid increased in amounts of total student resources but not in substantial proportions between 1972 and 1977; (2) students' term-time, off-campus employment earnings increased significantly in amounts and percentages; and (3) family contributions increased in amounts but decreased in proportion of all resources. In brief, more students in 1977 than in 1972 paid for educational costs with term-time earnings and financial aid rather than with parental contributions.

Even though family contributions decreased in relative importance to all financial resources, parents at all income levels made greater contributions, relative to their ability to make them, in 1977 than in 1972.

It was shown that lower- and middle-income parents made substantially larger-than-expected contributions to their childrens' education. While parents of upper-income students generally made contributions which were less-than-expected, they increased the relative contributions above the 1972 amounts. It was also shown that more parents of students at four-year colleges made larger-than-expected contributions than parents of students at two-year institutions. This indicates that some parents apparently exhibited a greater degree of willingness to make financial sacrifices to send their children to four-year colleges.

Since lower- and middle-income parents currently make larger-than-expected contributions and substantial financial sacrifices, increases in educational costs without corresponding increases in financial aid may inhibit their childrens' access to postsecondary education. The less-than-expected, but increasing, contributions of upper-income parents indicate that they are approaching the point at which they may become unwilling to make further financial sacrifices. In this event, increases in costs with increases in financial aid may result in substantial shifts of enrollment of upper-income students among types of institutions, primarily from private to public and from four-year to two-year institutions.

Changing patterns of educational financing were shown to exist among students at the different types of institutions. Students at predominantly Black colleges, because of their lower incomes, generally financed their education with family contributions and term-time earnings. Students at predominantly White private colleges generally financed their education with about equal proportions of aid and family contributions. Students at TEC campuses and USC regional campuses financed their education with equal proportions of family contributions and aid plus term-time

earnings resources. About 77 percent of the resources of students at predominantly White four-year public colleges came from family contributions and term-time earnings.

In general, lower-income students financed their education with financial aid and term-time earnings, placing relatively little reliance on family contributions. Middle-income students generally financed their education with family contributions and financial aid. Upper-income students financed their education with family contributions and term-time earnings.

It was shown that the distributions of average costs and family contributions creates a considerable "cost incentive" to students to attend TEC campuses and public colleges, rather than private colleges. The distribution of financial aid resources among students within the three income intervals at the different institutions somewhat modifies these "cost incentives."

Average aid resources create a strong incentive for lower-income students to attend two-year private colleges, TEC campuses, and four-year public colleges, rather than four-year private colleges or the USC regional campuses. Available aid resources to middle-income students equalizes the "cost incentive" for them to choose among all types of institutions but the predominantly White four-year private colleges. At the upper-income levels, the distribution of aid resources creates a significant cost incentive for them to attend, in rank order, predominantly Black colleges, TEC campuses, and predominantly White four-year public colleges. Little cost incentive is created by the distribution of aid resources to attend USC regional campuses or predominantly White four-year private colleges.

It was shown that at least five student groups have real and substantial needs for additional financial aid resources to meet their educational costs: all three income groups at predominantly White four-year private colleges, lower-income students at predominantly Black private colleges, and middle-income students at predominantly Black public college.

Finally, it was noted that without the substantial financial support from term-time earnings, students at almost all institutions and family income intervals would need significant amounts of additional aid to meet their costs. The average amount of additional aid needed would be about $400, or an aggregate amount of $32.4 million.

CHAPTER VI

SOUTH CAROLINA STUDENTS' CHOICES OF POSTSECONDARY INSTITUTIONS

Though the proportion of all students who attended postsecondary institutions remained stable, there was a significant shift in the type of institution they attended. The shift was, to a great extent, attributable to major changes in financial factors since 1972. Among the more important financial factors which influenced student attendance were rising college costs; increased financial aid; and changes in the amount and proportion of financial resources from various sources, especially parental contributions.

All these factors can influence students' access to and choice of institutions. While it is possible to make inferences about the relative influence of various factors from demographic data, it is quite helpful to have direct reports from those who are influenced, the students.

The National Longitudinal Study of 1972 freshmen lists thirteen reasons freshmen typically give for choosing a college or another postsecondary institution. Students are asked to indicate whether each reason or factor is "not important," "somewhat important," or "very important." The 1977 Student Resource Survey (SRS) lists the ten reasons identified by the 1972 freshmen as most important. The SRS asks which of the ten factors were of "primary importance," and which were of "secondary" and "tertiary" importance to their choice of a postseconary institution.

The ten reasons were weighted by the percentage of freshmen who chose each option. Table VI-1 displays the results of these weightings. Figures for 1972 represent the responses of freshmen who said a given factor was "very important." The figures for 1977 represent the responses of freshmen who said a given reason was of primary, secondary, and tertiary importance.

Five factors were of greater importance than others in both years. The availability of a specific program of interest at an institution; students' perceptions of institutions' academic reputations; the cost of attending the institutions; parental advice; and available financial aid. As expected, because they had to pay higher costs at their institutions, students at private colleges gave greater importance to financial aid than students at public colleges.

The data reveal some noteworthy changes in the importance of various factors between 1972 and 1977. First of all, financial aid increased in importance to students at four-year private colleges and USC regional campuses. Increasing costs and decreasing parental ability to pay the costs might account for the greater importance of aid at private colleges. The general availability of significantly larger amounts of aid to students at USC regional campuses should have increased the importance of aid to these students.

Costs increased in importance to students at USC regional campuses, perhaps because costs at alternative types of institutions rose more rapidly over the study period. Costs decreased in importance to students at four-year private colleges. This probably occurred because the costs increased to a point where, without substantial financial aid, many students could not afford to even consider, let alone attend private colleges.

Table VI-1

Freshmen Students' Reasons For Institutional Choices
by Institutional Types, 1972 and 1977

Reasons Given for Choice	4-Yr Publics				4-Yr Privates				USC Regional			
	1972		1977		1972		1977		1972		1977	
	Pct.	Rank	Pct.	Rank	Pct.	Rank	Pct.	Rank	Pct.	Rank	Pct.	Rank
Cost	40.5	3	46.6	3	27.2	3	12.4	9	27.4	4	69.7	2
Financial Aid	27.6	6	18.2	8	38.6	5	44.5	2	16.0	8	33.3	3
Curriculum	56.8	1	49.0	1	64.2	1	35.1	4	37.6	1	23.6	5
Academic Reputation	46.9	2	47.4	2	53.1	2	59.8	1	26.1	2	23.7	4
Friends Attending	7.2	9	21.5	7	5.6	9	18.9	8	4.9	10	9.6	10
Admissions Standards	18.8	5	14.1	10	19.3	6	26.1	6	19.1	6	14.2	9
Counselor/Teacher Advice	6.3	10	15.7	9	10.3	8	24.5	7	6.8	9	15.8	8
Parental Advice	23.4	4	32.7	4	25.4	4	32.0	5	39.9	3	18.9	6
Live at home/Commute	24.0	8	25.2	6	10.2	10	9.6	10	29.1	7	73.9	1
Frequent trips home	18.2	7	29.2	5	11.2	7	37.2	3	35.4	5	17.3	7

continued...

Table VI-1

(continued)

Reasons Given for Choice	2-Yr Privates				TEC Campuses			
	1972 Pct.	Rank	1977 Pct.	Rank	1972 Pct.	Rank	1977 Pct.	Rank
Cost	36.4	5	31.7	5	56.9	2	52.9	3
Financial Aid	40.2	3	40.8	3	43.5	4	30.2	4
Curriculum	32.0	2	43.8	2	83.9	1	67.5	1
Academic Reputation	41.2	1	44.2	1	53.2	3	25.0	5
Friends Attending	16.9	7	13.5	10	0.0	8	10.7	10
Admissions Standards	4.5	8	27.2	6	28.3	5	11.2	9
Counselor/Teacher Advice	4.5	9	22.6	8	12.0	10	14.6	8
Parental Advice	27.3	4	24.0	7	23.3	9	14.9	7
Live at home/ Commute	12.0	10	21.1	9	36.6	6	54.8	2
Frequent trips home	25.0	6	32.9	4	15.7	7	18.3	6

The importance of curricular offerings and academic reputations generally remained significant to students at all but the USC regional campuses. At these campuses, these factors decreased in importance, and financial factors increased in importance.

Another financial factor, the ability to live at home with parents and commute to classes, generally increased in importance to South Carolina freshmen. This is especially true for students at the less-than-four-year public institutions. In 1972, "commuting ability" ranked eighth in importance to students at public four-year colleges. By 1977, this factor ranked sixth in importance. Financial aid as an important factor ranked sixth in 1972 and eighth in 1977 for the students at four-year public colleges.

The advice of high school counselors and teachers increased in relative importance to students at each type of institution. The importance of advice from these sources may reflect several important changes. As financial factors increased in importance and as more lower-income students enrolled, advice of those who had access to information about financial aid and college opportunities likely became more important in students' decision-making process.

Parental advice remained a consistently important factor in the choices of students.

The more recent survey responses were analyzed by seven types of institutions, rather than five. All reasons given by undergraduates for their choices were examined to obtain a broader understanding of students' reasons for choosing institutions. The data are summarized in Table VI-2. The percentages represent the proportions of students who indicated the reason was of primary, secondary or tertiary importance. The second column shows the weighted rank of each reason given.

Table VI-2

Undergraduates' Reasons for Institutional Choices
by Institutional Types

Reasons Given for Choices	4-Yr White Publics		4-Yr Black Public		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK
Cost	56.6	1	42.6	2	68.6	2	8.6	10	22.7	7	29.1	5	54.9	2
Financial aid	16.1	8	34.1	5	31.3	3	42.5	3	51.8	1	43.2	1	29.2	4
Curriculum	50.3	2	46.3	1	25.0	4	45.5	2	33.1	4	36.6	2	67.6	1
Academic reputation	46.2	3	43.1	3	23.5	5	72.9	1	28.4	6	32.3	3	24.7	5
Friends attending	22.7	7	16.8	8	10.2	10	17.3	7	21.3	9	22.3	10	11.4	10
Admissions standards	12.7	9	14.4	9	9.5	9	17.2	8	23.1	8	22.5	9	11.9	9
Counselor/teacher advice	11.9	10	22.7	7	14.9	8	22.2	6	32.4	3	26.9	7	14.8	6
Parental advice	27.9	5	35.3	4	20.4	6	31.1	4	30.2	5	29.7	6	13.9	7
Live at home/commute	26.9	4	9.4	10	76.2	1	10.4	9	14.6	10	22.4	8	55.0	3
Frequent trips home	28.7	6	35.3	6	20.4	6	32.3	5	42.4	2	35.0	4	16.6	7

The students' reasons for their choices varied considerably among the types of institutions. In general, students chose predominantly White four-year public colleges because of lower costs, in combination with institutions' academic reputations and specific curricular offerings. Students chose predominantly White four-year private colleges because of their academic reputations and curricular offerings, and because financial aid made it feasible for them to attend these institutions.

Specific curricular offerings, lower costs, and academic reputations were the there major reasons students chose the predominantly Black public college. However, financial aid and the advice of their parents were nearly as important factors in these students' choices.

Students chose predominantly Black private colleges primarily because of financial factors, the advice of high school counselors or teachers, and the advice of their parents. The institutions' specific curricular offerings and academic reputations were less important to them.

Students who chose two-year private colleges gave the most diverse reasons. However, financial aid was the primary factor in their decisions, closely followed by their institutions' curricular offerings and academic reputations.

Students chose USC regional campuses because they could commute to class, their educational costs were low, and financial aid was available. Reputation and curricular offerings were far less important than financial factors.

TEC students chose their institutions because of specific curricular offerings, lower costs, and the ability to commute to class. That curricular offerings are important is not surprising because many of the TEC centers programs are offered only at these campuses in South Carolina.

Students' reasons for institutional choices varied in accordance with their family incomes. Financial aid decreased in importance as family incomes increased at predominantly White four-year colleges, predominantly Black private college, USC regional campuses and TEC campuses. Financial aid was about equally important to students at all income levels at the Black public college and two-year private colleges.

As family income increased, institutional costs increased in importance to students at the predominantly Black public college and USC regional campuses. There was no apparent relationship between the importance of cost and family income at predominantly White four-year private and public colleges. Cost was less important to middle-income students at predominantly Black private four-year colleges than to their upper- or lower-income peers. This is perhaps because their average financial aid resources plus their family contributons exceeded their average costs by nearly $200 (See Table V-6 in Chapter V).

Regardless of their family income, educational costs, availability of a specific curricular offering, and institutions' reputations were about equally important to students at predominantly White four-year public colleges. As family income increased, financial aid and the ability to commute to classes decreased in importance.

Students at predominantly White four-year public colleges will likely be quite responsive to changes in costs. Financial aid was less important to them, at each income interval, than it was to students at other institutions. Furthermore, family contributions of these students and term-time earnings defrayed 66 percent of their costs at the lowest income level and between 79 and 84 percent at the higher income levels.

(Only the TEC students were able to finance a greater percentage of educational costs from their own and their families' resources.) It is probable that a sharp increase in costs would produce a dramatic change in attendance at predominantly White four-year public colleges, probably a decrease in enrollment and a shift to two-year public colleges.

Lower-income students at the Black public college emphasized specific curricular offerings and academic reputations more than educational costs in their choices. This is not too surprising as their available aid met, on the average, 97 percent of their financial needs. The upper-income students and to a lesser extent the middle-income students, emphasized costs as a factor in their choices. This is not unexpected since over 80 percent of the upper-income students' average costs were defrayed with family or employment contributions.

The ability to commute to classes and cost were of about equal importance to students at USC regional campuses at each income level. Financial aid was <u>least</u> important to middle-income students, probably because their term-time earnings and family contributions met over 94 percent of their average costs. A few more upper-income students at USC regional campuses said cost was important, 77 percent as compared to 66 percent. This is probably because the average resources from their families and their own earnings defrayed only 75 percent of their costs and their access to financial aid was limited. It could also be because employment earnings of those students represent larger proportions of their total resources than are represented by employment earnings of other USC regional campus students. Because they are paying for a great deal of their educational expenses themselves, costs are important to them.

Their institutions' academic reputations were very important to students at predominantly White four-year private colleges at each income

level. Financial aid was most important to lower and middle-income students, probably because it represented over half their financial resources. Costs were important to fewer than 10 percent of the students at each income level. This is probably because the students met only 54 percent of their average costs without aid. While students at predominantly White four-year public colleges changed attendance plans in response to changes in costs, students at predominantly White four-year private colleges responded most to changes in financial aid.

Financial aid was of importance to more lower- and middle-income students than it was to upper-income students at predominantly Black private colleges. The importance of specific curricular offerings and the academic reputations of their colleges declined as the students' family incomes increased. Costs increased dramatically in importance as the students' family incomes increased.

Although financial aid was about equally important to students at two-year private college at all income levels, other financial factors were not. For example, as their family incomes increased, the students placed more emphasis on costs and the ability to commute to classes. This suggests that middle-income and upper-income students enrolled at two-year private colleges and commuted to classes in order to afford their costs. More emphasis, too, may have been given to costs at the middle-income and upper-income levels because average financial aid resources at these income levels defrayed only from one-third to a half of the average costs.

At the TEC campuses, reasons for institutional choices were consistent among all studnets, regardless of family incomes. Students attended these institutions because of specific curricular offerings,

lower costs, and the ability to commute to classes. As expected, financial aid decreased in importance as family income increased.

Table VI-3 displays the 1977 undergraduates' major reasons for college choices by family income levels. Some reasons for institutional choices were related to family income. The importance of parental advice tended to increase as family income increased. One explanation for this relationship is that increased parental ability to pay for educational costs is associated with increased influence regarding where those expenditures will be made. Another explanation is that upper-income parents are more likely to have had postsecondary educational experiences themselves, providing them with knowledge to use in advising their children.

As family income increased, the importance of high school counselor/teacher advice decreased. The explanation for this relationship is that counselors/teachers have access to information concerning the financial aid necessary to help lower- and middle-income students pay for their education. Upper-income students are less likely to have to rely on counselors/teachers for postsecondary educational advice or financial aid information because advice and financial support are available fro parents. Table VI-4 displays the 1977 undergraduates' minor reasons for college choice by family income intervals.

The 1977 undergraduates were asked if they would like most to enroll at their current institutions if costs and other financial factors were not important to their choices. Almost 72 percent of the students at predominantly White four-year private colleges, 67 percent of the TEC students and 60 percent of the students at four-year public colleges and USC regional campuses said they would choose their current institution. Only 55 percent of the students at two-year private colleges, and just 43 percent of the students at predominantly Black private colleges said they

Table VI-3

Undergraduates' Major Reasons For Institutional Choices
by Family Incomes and Institutional Types

	4-Yr White Publics		4-Yr Black Public		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK
Less than $9,000														
Cost	51.9	1	41.8	3	65.8	2	10.2	9	23.7	7	30.5	5	49.5	2
Financial aid	26.7	5	36.6	4	45.1	3	55.5	2	56.6	1	45.6	1	40.2	4
Curriculum	49.9	2	50.2	1	17.2	9	38.3	3	33.4	4	32.6	4	61.7	1
Academic reputation	39.3	3	45.8	2	12.7	8	55.9	1	28.3	6	45.7	2	24.5	5
Commuting ability	34.7	4	8.3	10	78.1	1	10.7	10	13.0	10	19.5	9	52.1	3
$9,000 to $14,999														
Cost	62.1	1	39.5	1	65.8	2	9.0	10	17.1	10	29.6	7	58.5	2
Financial aid	18.2	6	31.2	5	25.7	6	62.5	2	39.9	1	44.3	1	25.0	4
Curriculum	49.4	2	36.0	3	37.1	3	42.4	3	40.0	2	47.4	2	70.2	1
Academic reputation	40.8	3	37.2	4	31.5	4	66.8	1	26.1	6	25.6	8	24.6	5
Commuting ability	27.7	4	11.7	10	74.4	1	21.1	6	19.1	9	13.3	9	57.0	3
$15,000 and Above														
Cost	57.0	1	54.3	1	76.9	2	7.7	10	35.8	1	33.3	5	60.4	2
Financial aid	11.9	8	28.6	5	23.0	4	36.2	3	41.9	2	37.2	1	12.9	6

continued...

Table VI-3
(continued)

	4-Yr White Publics		4-Yr Black Public		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
Curriculum	50.3	3	40.1	3	20.6	6	47.9	2	10.3	9	29.5	3	75.3	1
Academic reputation	50.5	2	28.6	4	23.1	5	83.3	1	20.6	8	35.3	6	25.9	4
Commuting ability	24.3	5	8.7	8	74.3	1	8.9	9	10.6	10	25.4	4	57.8	3

Table VI-4

Undergraduates' Minor Reasons For Institutional Choices
by Family Incomes and Institutional Types

	4-Yr White Publics		4-Yr Black Public		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK
Less than $9,000														
Friends attending	23.7	7	14.1	9	4.4	10	18.4	7	19.7	9	13.0	10	12.7	9
Admissions standards	14.1	9	14.8	8	14.9	6	15.3	8	22.7	8	21.8	8	11.1	10
Counselor/teacher advice	10.1	10	25.1	6	19.1	5	27.6	5	32.2	2	23.9	7	16.4	6
Parental advice	17.6	8	30.9	5	12.8	6	21.5	6	27.5	5	28.2	6	13.5	8
Frequent trips home	32.0	6	32.4	6	29.9	4	46.6	4	42.9	3	39.1	3	18.3	7
$9,000 to $14,999														
Friends attending	21.7	7	27.9	7	8.6	9	13.3	3	24.4	7	20.0	6	11.9	10
Admissions standards	10.5	10	15.7	9	5.8	10	14.3	9	26.4	8	33.3	4	12.5	7
Counselor/teacher advice	15.0	9	16.8	8	11.4	8	22.2	7	29.7	5	33.3	5	13.9	6
Parental advice	19.0	8	41.9	2	17.2	7	30.0	4	33.4	4	16.8	10	11.3	8
Frequent trips home	35.6	5	42.1	6	22.5	5	30.5	5	45.7	3	43.3	3	15.1	9

continued...

Table VI-4
(continued)

	4-Yr White Publics		4-Yr Black Public		USC Regional		4-Yr White Privates		4-Yr Black Privates		2-Yr Privates		TEC Centers	
	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK	PCT	RANK
$15,000 and Above														
Friends attending	22.5	7	5.8	10	20.6	7	17.3	8	31.3	6	31.4	8	9.3	10
Admissions standards	13.2	9	11.4	9	7.7	9	19.2	6	30.5	4	19.6	7	13.8	7
Counselor/teacher advice	11.1	10	20.0	7	7.7	10	19.9	7	47.1	5	25.5	9	12.6	8
Parental advice	33.7	4	48.4	2	33.3	3	35.1	4	41.5	3	39.4	2	18.6	5
Frequent trips home	25.5	6	39.9	6	12.8	8	27.4	5	31.3	6	29.3	10	13.4	9

would most like to attend their current institution if finances were not an important consideration.

When the responses of students to this question were compared to their family incomes, they corresponded to the relative importance students attached to financial, academic, and other factors in their institutional choices. When academic and other factors were very important to students, fewer said they would attend another institution if given the financial opportunity.

It is possible from the data to "predict" which student groups are most likely to modify their educational plans in response to changes in costs, financial aid, and other financial factors. It is difficult to say whether a modification in plans would entail transferring to another institution, delaying education, or foregoing education altogether. However, the following responses from various students groups are likely.

If costs are increased by a significant amount at predominantly White four-year public colleges, the students are likely to consider attending other institutions, probably USC regional campuses. An increase in financial aid at these institutions is likely to produce an increase in enrollment, especially from students who now attend USC regional campuses or do not attend colleges.

If costs are substantially increased at predominantly White four-year private colleges <u>without</u> a corresponding increase in financial aid, some students, especially those from upper-income families, are likely to choose to attend the predominantly White four-year public colleges. If financial aid resources are increased at these colleges without corresponding increases in costs, more students who now choose public colleges, especially four-year institutions, are likely to enroll at four-year private colleges. This is probably because increased financial

aid would help to compensate for the relatively lower family contributions now available to students at public institutions. An increase in aid made available to upper-income students to attend private colleges is likely to produce the greatest relative impace on enrollment at these institutions.

Any substantial increases in costs at the predominantly Black public college is likely to reduce the enrollment, especially among students from families with incomes about $9,000. Middle-income students who chose the Black public college are more likely than their classmates to respond to changes in financial factors. Only half those students currently attending the college said they would most like to attend it if financial factors were not a consideration.

Almost any increase in costs without increases in aid at predominantly Black private colleges are very likely to reduce the enrollment, especially among students with family incomes below $9,000. In 1977, these students' average financial resources met only 86 percent of their average costs. It is quite probable that without increases in financial aid, even if costs are held constant, enrollment of lower-income students will decline. This is because of these students' large unmet need and substantial family sacrifices to attend the institutions.

The middle-income and upper-income students who currently attend predominantly Black private colleges are likely to change their plans if it becomes financially less attractive to them to attend their colleges. Almost two-thirds of these students said they would most like to attend other institutions if cost was not a factor. Furthermore, these students now have, on the average, 69 percent of their costs met by student aid and their total resources exceed their average costs by about $260.

Cost increases at USC regional campuses are somewhat likely to result in reductions in enrollment, especially among middle- and upper-

income students. These students' term-time employment earnings currently defray almost 27 percent of their educational costs, making them quite responsive to changes in costs. It is likely, however, that costs could increase by a relatively large amount before they would cause these higher-income students to choose another type of institution or forego education altogether. This is because over 72 percent said they would most like to attend their current colleges if financial factors were not important.

Cost increases at USC regional campuses are more likely to affect the plans of lower-income students. Only 57 percent of the currently-enrolled students said they would most like to attend a regional campus if finances were not a factor. Furthermore, these students can currently meet only 58 percent of their average costs without aid. Middle- and upper-income students meet about 84 percent of their costs without financial aid.

Costs are of relatively little importance to students at two-year private colleges. Financial aid is, however, important, especially for lower- and middle-income students. Without financial aid, the resources of these students would meet only half their average costs. With financial aid, their average resources meet or excced their average costs.

Lower-income students' average total resources exceed their average costs by over $622. This financial incentive, or surplus of resources, undoubtedly contributes to attendance of lower-income students at two-year private colleges. Over 52 percent of these students said that if financial factors were not a consideration they would like to attend another institution.

About two-thirds of the TEC students said they would most like to attend their current institutions if finances were not a factor. This is

is not too surprising because so many TEC students choose their institutions because of their special curricular offerings. TEC students are, however, likely to be somewhat responsive to cost changes. This is because they currently can meet, on the average, 95 percent of their costs without benefit of financial aid. Increases in costs are likely to cause some TEC students to delay or forego their educational plans. But, unless the cost increases are quite substantial and are not accompanied by some increases in financial aid, TEC students are likely to continue to try to attend their current institutions--if only because they want their special programs.

Summary

The study data indicate that South Carolina students' choices of postsecondary institutions became more directly related to financial factors. However, at the beginning and end of the study period, five factors were most important to the institutional choices of the students: the availability of a specific program of interest at an institution, their perceptions of their institutions' academic reputations, the cost of attending their institutions, parental advice, and available financial aid.

Among the financial factors, costs were very important to students at public colleges and financial aid was very important to students at private colleges. As the family income increased, students placed more emphasis on educational costs and less emphasis on financial aid. This is because higher income students placed less reliance on financial aid to meet their costs but met them from their own or their families' resources.

Two other factors in institutional choices were apparently related to family income. As the family income increased, students were more

influenced by parental advice and less influenced by advice from high school counselors or teachers.

The 1977 undergraduates were asked if they would like most to attend their current institutions if costs and other financial factors were not important considerations. Students at predominantly White four-year private colleges and TEC campuses said they would not change their choices. Students at predominantly Black private colleges said they would prefer to attend another institution.

Finally, it was predicted that students from the different family income intervals at the various types of institutions would make different responses to changes in educational costs and the availability of financial aid.

CHAPTER VII

SUMMARY AND CONCLUSIONS

This chapter summarizes the findings of a study of the impact of financial aid on the distribution of undergraduates among South Carolina's postsecondary institutions during the 1972-73 to 1977-78 academic years. The study was funded by the Ford Foundation through the South Carolina College Council, Inc. It was conducted under the direction of a Steering Committee comprised of representatives of various postsecondary institutions, the South Carolina Commission on Higher Education, and the Council. Dr. Gordon W. Blackwell, president emeritus of Furman University, served as Chairman.

The major purpose of the study was to determine and to demonstrate how changes in educational costs, family ability to pay for those costs, and available financial aid resources affect the way South Carolina students distribute themselves among public and private colleges and Technical Education Centers in the state.

Changes in Student Enrollment Characteristics

The numbers of students who started full-time study increased by 13 percent during the 1972 to 1977 study period. The enrollment of all full-time undergraduates increased by 24 percent. The increased enrollments were attributed to increased numbers of high school seniors enrolling in postsecondary education, to increased retention rates at the postsecondary institutions, and to increased numbers of persons starting college after being out of high school for a period of time.

The proportions of seniors who entered postsecondary education immediately after graduation remained constant over the study years. Enrollments increased because senior classes grew, not because greater proportions of high school senior classes chose to go on to college. Unless increasing proportions of high school seniors are given some incentive and financial ability to start postsecondary education, enrollments are likely to become stable or possibly decline during the next few years.

About the same proportions of South Carolina students attended public colleges, private colleges, and TEC centers during each study year. For example, in 1973, 40 percent of all full-time freshmen enrolled at public colleges, 20 percent enrolled at private colleges and 40 percent enrolled at TEC centers. In 1977, 38.8 percent of the freshmen enrolled at public colleges, 20.6 percent enrolled at private colleges, and 40.6 percent enrolled at TEC centers. The distribution of all full-time undergraduates remained about equally constant.

Enrollments at some institutional types increased by greater percentages than at other institutional types. For example, enrollments at the predominantly Black public college and the USC regional campuses increased by over 40 percent, but enrollments at the predominantly White four-year public colleges increased by only 14 percent. Enrollments at the predominantly Black private colleges increased by almost 65 percent, but enrollments at the predominantly White private colleges increased by less than three percent. TEC enrollments increased by 53 percent. In general, enrollments increased most rapidly at the lower cost two-year public institutions.

The characteristics of enrolled South Carolina students changed in important ways during the study period. Significantly more of the

students were women, minority students, and/or students from low-income families.

More students with lower high school grades and somewhat lower academic aptitude (as measured by their Scholastic Aptitude Test scores) entered all types of institutions in the later study years. The enrollment of these students may reflect greater financial access to post-secondary education.

The median and average incomes of college bound seniors, freshmen, and other undergraduates increased substantially during the study period, reflecting increasing incomes of South Carolina families in general. While students at all types of institutions generally came from increasingly affluent families, predominantly White public four-year colleges enrolled increasing percentages and numbers of students from the most affluent families. This was particularly true for students with annual family incomes of $30,000 or more.

The predominantly White private four-year colleges doubled their enrollments of students from families with incomes below $6,000 and significantly increased their enrollments of students with incomes above $20,000. They did not increase their enrollments of students with incomes between those amounts.

The study also showed that student enrollments at South Carolina institutions are becoming increasingly stratified by family socioeconomic statuses and students' academic ability and interests. In general, students at the predominantly White four-year colleges are considerably more affluent than those attending other colleges. They are likely to come from families whose heads are employed in professional, managerial or administrative positions and to have fathers who have earned at least

one college degree. Over three-fourths of these students had taken an academic course of study in high school and they received better grades in their programs than did students at other institutions.

Student characteristics at the two-year institutions (the private colleges, the USC regional campuses, and the TEC campuses) were more heterogeneous than those at the four-year institutions. For example, half the two-year students reported 1977 family incomes of between $6,000 and $18,000, but half had lower or higher incomes. While nearly half these students had fathers who had not completed high school, 18 percent had fathers who had some college training. About one-fourth of these students said their fathers were employed as craftsmen or technicians, but another fourth had fathers who were laborers or operatives and another fifth had fathers who were professionals, managers, or administrators.

Students at the predominantly Black colleges were, throughout the study period, the least affluent and the most likely to come from families whose heads were employed in lower-level occupations. In 1977, almost 73 percent of these students came from families with incomes below $9,000 per year and 60 percent of their fathers were employed as laborers, operatives, craftsmen, or technicians. Over 61 percent of their fathers had not finished high school. However, ten percent had completed some college training.

Rising Educational Costs

The consumer costs of education, like the costs of other goods and services, rose steadily during the study period. In 1972, the average cost of attendance at the public colleges was only $1,986. By 1977, average costs had risen to $2,552, or by about 27 percent.

Average budgets at private colleges increased by 43 percent, from $2,789 in 1972 to $3,996 in 1977. In general, costs increased at their most rapid rates after 1975.

In 1972, the average cost for a year in attendance at the predominantly White four-year private colleges was 1.40 times the average cost of attending a predominantly White four-year public college. By 1977, it cost 1.57 times as much to attend a private college. The average cost of a year at a two-year private South Carolina college in 1972 was 17 percent greater than the average cost of attending a USC regional or a TEC campus. By 1977, it cost 34 percent more to attend a private two-year campus than a public two-year campus. In 1972, attending a predominantly Black private college was 48 percent more costly than attending the predominantly Black public college. By 1977, attending the Black private college was 57 percent more costly than attending the Black public college.

When all other factors are considered equal, a college is better able to attract students if its costs are lower than those of its competing institutions. Because their costs increased at a more rapid rate than those at public colleges, the private South Carolina colleges are finding it increasingly difficult to compete with public colleges. This is especially true among students who do not have access to financial aid to help offset college costs, the upper-income students. These students, it was noted, are becoming increasingly likely to choose public colleges.

The study data showed that substantial tuition increases at the private institutions contributed to their relative loss of "price position" in the marketplace for higher education. For example, average

tuitions, weighted enrollments, increased by 43 percent among private institutions. But, between 1972 and 1977, weighted average tuitions increased by only 3 percent at public institutions.

It was shown that tuition increases were related to increases in per capita educational and general expenditures at the different institutional types. In other words, as the costs thecolleges experienced in serving students increased, they increased their charges to students. In each study year tuition revenues defrayed approximately the same proportions of educational and general expenditures at the predominantly White four-year public colleges, the USC regional and the TEC campuses, the predominantly Black private colleges, and the two-year private colleges. At the predominantly Black public college, tuitions defrayed increasing percentages of expenditures. At the predominantly White four-year private colleges tuition revenues defrayed decreasing percentages of expenditures.

The predominantly White four-year private colleges have apparently adopted a financing strategy which involves holding expenditure increases to as low a level as feasible to inhibit the further decline in their "price position" in the marketplace. This strategy involves a risk in the reduction of the quality of instruction and services and is probably ineffective, if not dangerous, in the long run. Institutions which increase tuitions to reflect rising expenditures run the risk of causing students to delay or forego entirely their plans for postsecondary education. Without substantial increases in financial aid to defray rising costs to their students, both public and private colleges are likely to experience declines in enrollments.

Growth in Financial Aid

That enrollments did not decline in the study years is largely attributable to massive increases in funding of financial aid programs for South Carolinians. Between 1973-74 and 1977-78 academic years, financial aid which was generally available to undergraduates nearly tripled, from $24 million to $63 million.

The dramatic increase in aid resources was primarily the consequence of increased funding for the Federal Basic Educational Opportunity Grant Program. In 1973, BEOG awards amounted to approximately $747,000. By 1977, the BEOG program made an estimated $26 million dollars available to South Carolina undergraduates. The increase in aid from this program represented 64 percent of the net increase in generally available aid.

Another 13 percent of the net increase in available aid came from awards made by the South Carolina Tuition Grant Program. In 1973-73 this program awarded about $3.8 million to students at South Carolina's private colleges. By 1977-78, the program's awards were in excess of $8.9 million. The significance of this program's awards to private colleges is reflected in the fact that about 30 percent of all generally available aid to private college students comes from this program.

The growth in aid from the Federal campus-based programs (the Supplemental Educational Opportunity Grant Program, the National Direct Student Loan Program, and the College Work-Study Program) accounted for 11 percent of the net increase in available aid. In 1973, monies from these programs totaled about $9.6 million. By 1977, they totaled $13.8 million, representing a 44 percent increase. The remainder of the net increase, about 12 percent, came from the Guaranteed Student Loan Program,

the South Carolina Student Loan Corporation Program, and various institutional aid programs.

Although aggregate aid increased at all institutional types, aid increased by greater percentages at the two-year colleges than at the four-year colleges, and at the public colleges than at the private colleges.

Increasing Financial Needs

In spite of the increases in financial aid, the amounts of money South Carolina students and families must pay for education from their own resources increased, because of increasing charges.

The expenses students had to meet, after financial aid was taken into account, increased by an "enrollment-weighted" average of 2 percent during the study period. "After-aid" costs increased by 57 percent at the predominantly Black private colleges, by 16 percent at the predominantly White four-year private colleges and by 12 percent at the predominantly White four-year public colleges. "After-aid" costs decreased by 19 percent at the TEC centers, by 17 percent at the two-year private colleges and by 16 percent at the USC regional campuses. "After-aid" costs decreased slightly at the predominantly Black public college, after a substantial (12 percent) increase in 1976.

The increases in "after-aid" costs at the four-year colleges and the decreases at two-year institutions provided a considerable incentive for students to enroll at the latter group of institutions.

While "after-aid" costs were increasing for over 63 percent of the students (those enrolled at predominantly White four-year public colleges and the four-year private colleges), the ability of parents and families to pay for those costs decreased. The decreases in

ability to pay for college costs was attributed to inflationary factors in the general economy and, to some extent, to the fact that proportionately more lower-income students enrolled in postsecondary education.

Before 1975, the average amount that South Carolina families could contribute toward educational costs was greater than the average costs of education. Since that year, average costs have exceeded the average ability to pay for them by ever-increasing amounts. This trend is likely to continue into the near future.

Paying for Postsecondary Education

The increases in student financial aid have helped students and their parents to meet rising educational costs. However, the large majority of resources used to pay for educational costs, throughout the study period, came from students and their families. For example, in 1972 average student aid resources represented about 26 percent of the student's average total resources. In 1977, financial aid represented only 30 percent of the student's average total resources. The major difference in patterns of financial resources during the study period is that in later years students met increasing percentages of their costs with earning from term-time, off-campus employment. In 1972, monies from this source represented only 3 percent of the students' average total resources. By 1977, term-time earnings represented nearly 17 percent of the students' financial resources.

Different patterns of paying for educational costs appeared among students at the different institutional types. In general, students at the predominantly White four-year public colleges, the USC regional campuses, and the TEC centers paid for their educational costs from

family contributions and term-time earnings. Students at the predominantly Black colleges paid for their education with financial aid and, to a lesser degree, family contributions. Students at the predominantly White private colleges generally paid for their education with equal proportions of family contributions and financial aid.

Patterns of paying for educational costs varied by family income levels. In general lower-income students finance their education with financial aid and term-time earnings, placing relatively little reliance on family contributions. Middle-income students generally finance their education with family contributions and financial aid. Upper-income students finance their education with family contributions and term-time earnings, receiving very little financial aid.

If not for their substantial term-time earnings, students would not, on the average, have sufficient resources to meet their educational costs. These earnings represent, again on the average, $442 or 15 percent of the average student expense budget. The educational effects of this necessary term-time, off-campus employment are unknown. However, it is unlikely that much of it makes positive contributions toward students' educational growth and development. A substantial proportion of off-campus employment takes place in menial tasks which are unrelated to students' academic programs or interests. It is likely that this employment, unlike College Work-Study Programs employement which is carefully monitored by campus administrators, frequently detracts from the attention students can give to their academic programs.

If not for the term-time earnings most student groups would need substantially greater amounts of aid to meet their costs. Even after term-time earnings <u>are</u> considered, all student groups at the predominantly White four-year private colleges, lower-income students at the

predominantly Black private colleges, and middle-income students at the predominantly Black public college were shown to have real and substantial need for additional aid to meet college costs.

Because families at each income level made contributions in 1977 which were relatively greater than those made by similar families in 1972, and because families are rapidly reaching the point at which greater contributions are unlikely to be made, additional financial aid will be needed. Additional aid will be needed to meet increasing costs; to maintain the South Carolina students' ability to gain access to and choices among postsecondary institutions; and, to inhibit decreases in institutional enrollments.

Students' Reasons for Institutional Choices

The data showed that financial factors increased in their influence on students' institutional choices during the study period. In spite of the increasing importance of financial factors on institutional choices, other non-financial factors are still important. This is as it should be, because a students' decision to enroll at a given institution should be based on academic and educational, not financial, considerations.

The students' reasons for their choices varied considerably among institutional types. In general, students chose predominantly White four-year public colleges because of their lower costs, in combination with their institutions' academic reputations and specific curricular offerings. Students chose predominantly White four-year private colleges because of their academic reputations and curricular offerings and because financial aid made it feasible for them to attend these institutions.

Specific curricular offerings, lower costs, and their college's academic reputation were the three major reasons students chose the

predominantly Black public college. However, financial aid and the advice of their parents were nearly as important factors in these students' choices.

Students chose predominantly Black private colleges primarily because of financial factors, the advice of high school counselors/teachers, and the advice of their parents. Their institutions' specific curricular offerings and academic reputations were less important to them.

Students chose two-year private colleges for the most diverse reasons. However, financial aid was the primary factor in their decisions, closely followed by their institutions' curricular offerings and academic reputations.

Students chose USC regional campuses because they could commute to class, because their educational costs were low, and, to a lesser extent, because of financial aid. Their college's reputation and curricular offerings were far less important than financial factors.

TEC students chose their institutions because of specific curricular offerings, lower costs, and the ability to commute to class. That curricular offerings are so important is not surprising because many of the TEC center programs are offered only at these campuses in South Carolina.

Student Responses to Changes in Costs and Financial Aid

Study data made it possible to predict how different student groups will respond to future changes in institutional costs and available aid.

Substantial cost increases at the predominantly White four-year public colleges are likely to cause students to consider attending other institutions, probably USC regional campuses. Cost increases at the predominantly White four-year private colleges, without corresponding

increases in financial aid, are likely to cause some students to choose to attend the predominantly White four-year public colleges. This is especially true for upper-income students whose access to aid funds is currently quite limited.

If financial aid resources are increased at the private colleges more students who currently choose public colleges may enroll at private colleges. This is because increased aid would help to compensate for relatively lower family contributions now available to students at public colleges. An increase in aid to upper-income students to attend private colleges is likely to produce the greatest relative impact on private college enrollments. This is because the upper-income students who consider private colleges are quite responsive to changes in financial aid.

Almost any increases in costs without increases in aid at the predominantly Black public colleges are likely to reduce enrollments, especially among students with family incomes of less than $9,000.

If it becomes less financially attractive, by reason of increased costs or reductions in aid, for students to attend predominantly Black private colleges, enrollments at these institutions are very likely to decline. Almost two-thirds of the students who currently attend these colleges said they would like to attend other institutions if costs were not a factor in their decisions.

Cost increases at the USC regional campuses are somewhat likely to result in reductions in enrollments, especially among middle- and upper-income students. This is because these students currently pay for almost 27 percent of their educational costs from term-time earnings and their family contributions are limited. Cost increases at the four-year colleges are likely to result in shifts of enrollments to lower-cost

two-year institutions, representing a loss in students' ability to choose among institutions. However, cost increases at the USC regional campuses and the TEC centers are likely to result in reduced student access to postsecondary education. This is because no other lower-cost institutions are available to South Carolinians.

Costs are of relatively lesser importance to students at the two-year private colleges. Financial aid is, however, quite important, especially for lower- and middle-income students. Without financial aid, the resources of these students would meet only half their average costs. With financial aid, their average resources meet or exceed their average costs.